TECHNICAL REPORT

On
THE ISKUT PROPERTY
With Special Reference to Johnny Flats
&
Burnie Trend Targets

For

SKYLINE GOLD CORPORATION
Vancouver, BC

NORTHWESTERN BRITISH COLUMBIA
CANADA

NTS Map Sheets 104B 10W & 11E
Latitude 56 ° 40 ′ 00” North,
Longitude 131° 05’ 33” West
UTM Zone 9, NAD 83

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By:

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1.0 Summary

The Iskut Property is located in Northwestern British Columbia; 110 km northwest of Stewart, B.C., 280 km northwest of Terrace, B.C., and 80 km east of Wrangell, Alaska. The 246.2 square kilometre property consists of 20 Legacy Mineral Claim Tenures, 66 Cell Mineral Claim Tenures and 13 Crown Granted Mineral Claims located in the Liard Mining Division. Currently a mine access road leads from Bob Quinn at the Cassiar Stewart Highway, 40 km along the south side of Iskut River to within 28 km of Bronson Slope Airstrip. The access road is being extended a further 8.5 km by AltaGas and when complete will be within 5 km of the eastern boundary of the Property.

The Iskut Property is within the Intermontane Belt on the western margin of the Stikine Terrane. Three distinct stratigraphic elements are recognised in the western portion of the area: (i) Upper Palaeozoic schists, argillites, coralline limestone and volcanic rocks of the Stikine Assemblage, (ii) Triassic Stuhini Group volcanic and sedimentary arc related strata, and (iii) Lower to Middle Jurassic Hazelton Group volcanic and sedimentary arc related strata. Intrusive rocks in the Iskut River region comprise five plutonic suites. Deformation in the area is complex, with local folding and penetrative deformation and many episodes of faulting associated with volcanic and intrusive activity.

Mineralization is widespread and consists of many different types including shear-hosted gold and gold-base metal veins, gold-bearing stockworks, porphyry-style disseminated and vein-controlled sulfides carrying gold-copper-silver-molybdenum, precious and base metal bearing skarn and manto, and volcanogenic massive sulphide types. Bordering the property's boundary near the west side is the former producing high-grade Snip Gold Mine. The Snip mine produced 1.03 million ounces of gold at a 24.5 g/t gold recoverable grade during the period of 1991 to 1999. On the Iskut Property, the Johnny Mountain gold mine operated from November 1988 to August 1990 and for three months in the summer of 1993. A total of 227,247 tonnes were milled at an average of 12.4 g/t gold and 19.1 g/t silver recoverable grade. A total of 90,517 ounces of gold, 19,818 ounces of silver and 2,222,477 pounds of copper was produced.

Skyline's historic exploration was completed from the 1980's through 1997 on the core claims Skyline has held since the 1980's. This work focused on the Johnny Mountain area as well as the Bronson Slope area of the Property. The historic exploration on Bronson Slope Deposit consisted of extensive drilling and development studies. Exploration from 2006 through 2010 consisted of drilling, resource estimation and Preliminary Economic Assessment studies. Intermittent exploration has been carried out on the numerous prospects and showings on these core claims, mainly during the 1980's and 1990's.

Since 2009 Skyline has undertaken drilling programs, trenching, prospecting, geological mapping, soil/rock sampling and airborne geophysical surveys (DIGHEM survey) in the search and definition of high-grade shear-hosted gold-vein mineralization within the northwest oriented Snip-Bronson Trend and adjacent areas. The Company has also placed considerable effort into the digital compilation and interpretation of historic exploration data. This compilation work has been extended to include detailed 3-dimensional ("3D") conductive plate modelling of an AeroTEM survey flown in 2006. The compilation work, as well as, the 3D modelling have highlighted key areas that are now

considered advanced far enough to warrant drill testing. These areas include: the 5km Snip-Bronson Trend, the 2.8 km Johnny Flats area, the 5km Burnie Trend, as well as the C-1 and Gorge targets. These targets are favourable for high-grade Snip-style gold-vein mineralization

In 2011 the Company's main focus along the Snip-Bronson Trend had been in areas to the northwest of Johnny Creek, between Johnny Creek and the former Snip Mine. Limited ground work has been carried out to the southeast of Johnny Creek. Trenching, limited drilling, and down-hole geophysics known as borehole pulse EM ("BPEM") was completed in 2011. In addition all historic in-situ gold soil geochemistry was compiled and a large regional airborne geophysical program consisting of a magnetic, radiometric, and a high resolution electromagnetic survey was completed. The 5 km Snip-Bronson Trend is characterized by extremely anomalous gold-in-soil geochemistry, the presence of several prospects hosting gold-bearing vein and stockwork structures, the presence of several airborne electromagnetic ("EM") conductors and down-hole (BPEM) electromagnetic conductors. The Bronson Slope copper-gold-silver-molybdenum deposit, defined in the period of 1988 to 2009, and the former Snip Gold Mine and deposit are located at the northwest end of the Snip-Bronson-Trend.

From 2009 through 2011 Skyline drilled 5,676 metres with 23 core holes. This includes two drill holes totalling 729 metres in 2009, eighteen drill holes totalling 3,570 metres in 2010, and three drill holes totalling 1,812 meters in 2011. Within the Snip-Bronson Trend significant gold mineralization was intersected over a horizontal distance in excess of 500 metres along the general strike of the zone, and it is open to the southwest. A number of the structures contain high-grade gold results and visible gold was noted in several localities in the core. There are in the order of 40 intercepts that equal or exceed a weighted one metre that grade in excess of 2 g/t gold (or gold equivalent). There are an additional 63 intercepts that are 8 metres or greater (from 8 to 149 m) that exceed a 0.2 g/t gold content and range from 0.2 to 2.0 g/t gold that is indicative of the potential for a larger low-grade gold deposit. Significant amounts of silver and zinc mineralization are associated with the gold. Further geological interpretation and modelling are required.

Adjacent to the Snip-Bronson Trend, to the southwest, is the northwest trending Johnny Flats exploration target area, characterized by a series of well defined northwest trending EM conductors over a 2.8 km distance. These conductors were defined by the integration of the 2011 Fugro DIGHEM airborne geophysical survey and an Aeroquest airborne geophysical survey completed in 2006. Further detailed three dimensional modelling of the conductors in late 2011 and early 2012 provided Skyline eighteen EM plate models of targets in the Johnny Flats area. These conductors are believed to be caused in part by sulphides, with some of the conductors interpreted as being associated with an alteration halo. At the nearby Snip Gold Mine gold and silver were carried both in sulphides (typically pyrite or pyrrhotite), as well as, in an alteration halo surrounding the sulphide core. Here, the sulphides are considered to be highly responsive to EM geophysical surveys. Production from the Snip mine came from ore that averaged 2.5 metres in width (ranged from 0.15 to 15 metres) over an overall strike length of 360 metres. The Johnny Flats target area is considered a highly promising target area for gold-vein mineralization and substantial drilling is required to test the numerous conductor trends and their respective host structures. These targets need to be tested with both near surface as well as deeper drill holes.

Adjacent and within a few kilometres of the former Johnny Mountain gold mine there are several high priority exploration targets defined by one or more of anomalous gold soil geochemistry, gold-bearing veins, gold-bearing float, and by airborne EM conductive zones. These targets include the +5 km northwest trending Burnie Trend, the C-1 Prospect, the McFadden gold-bearing float zone, and others. As a result of the encouraging results obtained from the desk top study of EM conductors at Johnny Flats, Skyline's exploration team requested the modelling of an additional twenty-two EM anomalies outlined by the 2006 Aeroquest data. This additional modelling covered the Burnie Trend and C1 exploration target areas. The results of this modelling exercise defined a number of high priority targets along the Burnie Trend and in the C1 area that are deemed ready for drill testing. The drill holes designed to test these areas will target areas of higher conductivity in the EM models that are of similar orientation to the trend of the Snip Mine. The holes will also be positioned to test any coincident historical surface sampling results within the area, as well as other geophysical data, such as magnetic lows, which are interpreted as alteration haloes of interest. These areas are roughly 2-3 kilometres west of the Johnny Flats area. The Burnie Trend has a similar strike direction as the structure that hosted the Snip Gold Mine.

The Bronson Slope porphyry copper-gold-silver-molybdenum-magnetite deposit, which is located at the northwest end of the Snip-Bronson Trend has a current mineral resource, based on block modelling and kriging, that was defined in 2008 (Burgoyne and Giroux, 2008) and 2010 (Burgoyne, Burgert, and Giroux, 2010). The detailed reports can be found on www.sedar.com. The current mineral resource consists of 225.1 million tonnes grading 0.36 g/t gold, 2.22 g/t silver, 0.14 % copper and 0.0077% molybdenum in the Measured and Indicated categories. An additional 91.6 million tonnes grading 0.27 g/t gold, 1.76 g/t silver, 0.13% copper and 0.008% molybdenum are classified in the Inferred category. An extensive amount of mineral processing and metallurgical testing has been completed on drill core samples from the deposit and the resource tonnes and grades above are based on a $US 9.00 net metallurgical recoverable value (NRV) per tonne cutoff. At the 2% magnetite cut off, there are 163.2 million tonnes grading 7.28% in the Measured and Indicated categories. The resource at the Bronson Slope Deposit remains open at depth and along strike.

A Preliminary Economic Assessment (PA) of the Bronson Slope Deposit, completed for the Company in 2010 by Moose Mountain Technical Services (Gray, 2010 on www.sedar.com), gives the Bronson Slope Deposit a 38 year life-of-mine with production of 1.757 million oz. of gold, 383.6 million pounds of copper, 6.8 million ounces of silver and 9.66 million tonnes of high purity magnetite powder. Economic evaluation of the project is based on a pre-tax financial model. For the project as defined in this update of a 38 year life-of-mine project with 191 million tonnes of mill feed, the financial results using base case inputs are:

- Internal Rate of Return 21.5 %
- NPV (7.5% discount rate) CAD 330.2 million
- Initial Capital CAD 257.6 million
- Pay Back Period 3.8 operating years (from mill start up)
- NPV (0% discount rate) CAD 1.406 billion

The project economic model in 2010 utilized base case life-of-mine average metal prices of (USD) $950 /oz. gold, $2.50 /lb. copper, $15 /oz. silver, $90 /tonne (FOB Bronson Slope) for high purity magnetite powder and an exchange rate of 0.90 USD/CAD. The

PA is preliminary in nature in that it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary assessment for those tonnes of mill feed will be realized. The amount of Inferred resource used in the PA is relatively small (4.94 million tonnes) however, of more significance, the accuracy of the technical design and costing used in the report is at a scoping level and for these reasons all the resources cannot be categorized as mineral reserves, and there is no certainty that the preliminary assessment for those tonnes will be realized.

Since 2005 the Company has acquired adjacent promising mineral prospects and properties. The Iskut Property is very large and now stands at 246.2 square km. Part of the exploration work during 2011 has been the compilation and evaluation of historical drilling, trenching, soil sampling and geological mapping on these acquired prospects and properties. Work was focused on the high-grade gold vein system at the Gorge prospect north of the Iskut River and on the many gold-bearing vein prospects in the Bug Lake area. On the Bug Lake prospects the Company completed trenching and extensive rock sampling on high-grade gold veins in 2011. This program was designed to locate, validate and explore the strike extents of trenches initially excavated in the late 1980's. Of these samples, 5 have assayed greater than 50 g/t gold and 19 samples have assayed between 50 g/t and 10 g/t gold. The Bug Lake area hosts seventeen known gold showings, nine of which were located and re-sampled in the 2011 exploration program.

During 2012 and 2013 the Company will continue its compilation and interpretation of historical exploration results including the newly acquired precious metal exploration targets of Inel, Khyber Pass, and Pyramid Hill on the south parts of the Property, the Phiz on the northwest side of the Property and the GIM target on the northeast side of the Property.

The writer has made a review of the exploration protocol, the analytical methods and sample security, the QA/QC controls on sampling, and the quality of the Skyline exploration work and considers it to be of good quality that meets high industry standards.

Future work on Iskut Property should continue to focus on the different high-grade gold targets and electromagnetic conductors on Johnny Flats and other targets including the Burnie Trend, C-1, and Snip-Bronson Trend. Compilation and field exploration surveys, including drilling, should continue on the Gorge and Bug Lake area targets. The Property also has considerable potential for additional gold-copper- silver-molybdenum-magnetite porphyry resources, both within the Bronson Slope Deposit and in the Snip North Porphyry located in close proximity to the Gorge showing.

It is the opinion of the author that the very positive drill hole results obtained in the Snip-Bronson Trend and the defined airborne electromagnetic conductors defined from 2006 and 2011 underlying the Johnny Flats, Burnie Trend area and C-1 targets require substantial exploration follow-up including extensive core drilling. There are several exploration targets on the Iskut Property that are drill ready and should be explored with core drilling of EM conductors and follow-up BPEM surveys. The Iskut Property should be advanced through a two phase exploration program as detailed and recommended below.

The high-grade gold targets being explored by the Company are based on the Snip Mine model where there is often a strong association for gold to occur with high concentrations of iron sulphides, both pyrite and pyrrhotite. This style of mineralization is considered to respond well to several types of EM geophysical surveys. Several such targets have been identified on the property and are logical exploration targets. Exploration work is warranted for these targets. It is important to note that the Snip Mine also produced a considerable amount of high-grade gold from three other styles of mineralization which are lower in sulphide content and may not respond to EM surveys. While the initial phase of exploration will focus on the EM targets, conventional exploration with either soil geochemical or biogeochemical sampling, mapping and prospecting should be undertaken to assess the potential of lower sulphide style high-grade gold mineralization.

The Phase I recommended program should consist of extensive core drilling programs (3050 metres over 14 drill holes) on Johnny Flats, Burnie Northwest, Burnie North, Burnie South, C-1 and Gorge targets. In addition borehole pulse electromagnetic (BPEM) surveys should be completed on all drilled holes as well as specific historic holes. A LiDar Survey should be completed to aid the interpretation of geology and structure and, as well, the obtaining of high resolution air photos. The Phase I program is estimated to cost CDN $3,639,100.

The Phase II recommended program is subject to satisfactory completion of Phase 1. The Phase II program should consist of further provisional drilling (4000 metres over 20 holes), BPEM follow-up surveys, trenching, prospecting, soil geochemistry and biogeochemistry on the strike extents of Burnie and Gorge. This program is estimated to cost CDN $4,546,000.

2.0 Introduction & Terms of Reference

Burgoyne Geological Inc. was commissioned by Skyline Gold Corporation ("Skyline") to complete a Technical Evaluation Report on the large 246.2 square kilometer Iskut Property in northwestern British Columbia. Over the last several years Skyline has been active in the acquisition of several properties that host known defined mineralized prospects and/or deposits that are excellent exploration targets. These properties are either adjacent or nearby to their pre-2009 property boundaries. Recent exploration in 2010 and 2011 has focused on the search and definition of high-grade gold "bonanza" style vein mineralization within the Snip-Bronson Trend, between the high-grade Snip Mine and Johnny Mountain Gold Mine, and the Bug Lake area. Several promising exploration targets have been outlined on the Snip-Bronson Trend and, on the adjacent Johnny Flats, a series of strong electromagnetic conductors (EM) over a 2.8 km trend are defined.

Cominco initially explored this project area in 1965 and later Skyline completed extensive exploration in the 1980's and 1990's through to 2011. Many other companies as detailed in **Item 6.0** explored the Property from the 1960's through to 2008. In 1988 and 1993 through 1997 and 2006 through 2010 Skyline Gold Corporation defined a mineral resource on the Bronson Slope copper-gold-silver-molybdenum porphyry deposit. Skyline also brought the Johnny Mountain Gold Mine into production in 1987 which produced 2815 kilograms (90,518 ounces) of gold from 227,247 tonnes of mineralization in the period of 1987 to 1993. Further exploration in 2006 through 2010 was directed at the Bronson Slope Deposit where a current gold-silver-copper-molybdenum-magnetite mineral resource is defined. Preliminary Economic Assessments reports were completed in March 2009 and November 2010 by Leighton Asia, and Moose Mountain Technical Services, respectively.

Exploration objectives for 2012 are to replicate the high-grade vein "Snip-type" gold mineralization. The former producing Snip Gold Mine, originally operated by Cominco, was one of the richest gold mines in BC. The average grade was in the order of 25 grams per tonne gold recoverable to produce 1.03 million ounces of gold in the period of 1991 to 1997. The exploration work carried out in 2011 by Skyline technical staff was under the general supervision of Mr. John Zbeetnoff, P.Geo., Mr. James Sparling, P.Geo., and in the field, by geologists Shaun Parent, P.Geo. and Brian Janes.

This Technical report is the result of the review and evaluation of a large library and database of technical information on exploration, drilling resource estimates, metallurgy, historical mine development including pre-feasibility studies, and Preliminary Economic Assessment reports. This Technical Report will be used by Skyline in satisfying reporting requirements for the appropriate regulatory authorities including the British Columbia Securities Commission. The Iskut Property consists of 13 crown granted mineral claims and 22 Legacy mineral tenures, and 66 Cell mineral tenures. Certain acquired properties have a royalty interest registered to the title.

To accomplish this assignment, the writer had discussions with John Zbeetnoff, P.Geo. Chief Executive Officer of Skyline, and Skyline technical staff consisting of James Sparling, P.Geo,, Chief Operating Officer, Susan Craig, P.Geo., Vice President Corporate Development, Jennifer Burgess, P.Geo., Exploration Manager for Iskut Project, and William Hay, B.A., Dipl T, GIS Database Manager.

The writer has conducted four separate site visits to the Property since the fall of 2006 with the most recent visit during October 2009. Also, the writer visited the Property during the summers of 1986, 1987, 1988 and 1993. The writer has effectively worked on the Property and area since 1985. It was not thought necessary to examine the Property for this report as the exploration recommendations are based, in part, on historical results (including definition of showings, 2006 Aeroquest airborne geophysics, and soil geochemistry) and on interpretation of the 2011 Fugro airborne geophysical survey and Crone system bore hole pulse electromagnetic (BPEM) results of a historic drill hole. Specifically the writer has examined many of the prospects and deposits including Johnny Mountain gold mine, several of the showings on Johnny Mountain and area, Johnny Flats, Snip-Bronson Trend, Bronson Slope Deposit, Snip North and Gregor, Bug Lake, Khyber Pass and Pyramid Hill.

Recent exploration has been undertaken from 2009 through 2011. A review of this work and historical work included examination of drill core, technical reports and maps, resource models of cross sections, tonnage and grade block models and spreadsheet compilation and checking. Map and figure preparations and report writing was undertaken during April and May 2012. Drill core from past drilling campaigns in 1986 and 1994 through 1997 and 2006 to 2011 programs are located at the Bronson Airstrip.

The detailed technical review of the large exploration and drilling database by the writer form the basis for this Technical Report. **Note Item 27**. The more important technical references are Burgoyne et al (2010) and Burgoyne and Giroux (2008 and 2007), Gray (2010) and Rhys (1995b). All currency values are expressed in Canadian dollars unless otherwise indicated.

The author is responsible for all **Items** in the report although Skyline geologists assisted him in acquiring geoscientific and other data. Most of the technical figures were completed by William Hay, the Skyline GIS Database Manager.

3.0 Reliance on Other Experts

An informal review of mineral title and ownership of the Bronson Slope property was completed; however, there has been no formal legal mineral title and ownership review as this is outside the expertise of the writer. The **Item 4.0 Property Description** information was obtained from Skyline and through checking the records of the Mineral Title Branch, Ministry of Mines and Energy for British Columbia. The writer disclaims responsibility for such information in this **Item 4.0.** The information on environmental liability in **Item 4.0** was determined from discussions with Skyline personnel and a review of site monitoring reports (Greenwood Environmental, 2012) and the site visits.

This report is based on an extensive technical review and discussion of information that was available. This report is believed to be correct at the time of preparation. It is believed that the information contained herein will be reliable under the conditions and subject to the limitations herein.

4.0 Property Description & Location

4.1 Iskut Mineral Claims & Crown Grants

The Property is located in northwestern British Columbia. It is centred on 131°05' West Longitude and 56°40' North Latitude on National Topographic Series map sheet 104B 10/W and 11/E and UTM Zone 9, NAD 83. The Property is 110 km northwest of Stewart, B.C., 280 km northwest of Terrace, B.C., 80 km east of Wrangell, Alaska and 70 km west of Bob Quinn airstrip on the Stewart-Cassiar Highway. A mine access road leads from Bob Quinn 40 km down the south side of Iskut River to within 28 km of Bronson Slope Airstrip where it turns south to the previously mined Eskay Creek gold-silver mine of Barrick Gold. **Note Figures 4-1** and **4-2**. The location of the significant deposits and exploration targets on the Property are illustrated on **Figure 4-3**. The Iskut Property tenures and areas of **Table 4-1** and property outline in **Figure 4-4** was provided by Skyline. No legal mineral title review has been done.

The Property consists of 86 BC Mineral Claim Tenures (20 legacy claims and 66 cell claims) and 13 Crown Granted Mineral Claims, totalling approximately 24,620 hectares located in the Liard Mining Division. The 9 Crown Grants are owned by Tuksi Mining & Exploration Development, a wholly owned subsidiary of Skyline. 76 of the mineral claim tenures are owned 100% by Skyline. Ten of the mineral claims are owned 95% by Hattrick Resources Corp., a wholly owned subsidiary of Skyline, with the remaining 5% of these claims held by Golden Band Resources Inc.

The Crown Granted portion of the Property has been legally surveyed. The Iskut Property mineral claim tenure and Crown Granted Mineral Claims names along with claim numbers, expiry date and size are set out in **Table 4-1**. All of the mineral tenures have been staked and registered with MTO (Mineral Titles Online) for the province of BC. These include electronic claims based on coordinates for the cells in UTM NAD 83 format and legacy claims.

The Company owns 100% of the Bronson Slope ("**Bronson**") situated on the Property, portions of which are subject to a 3.5% net smelter return royalty ("**NSR**"). The Company has the right, at any time prior to production, to buy back 0.5% of the NSR for $500,000.

On June 29, 2010, the Company purchased a 100% interest in six mineral tenures with a combined area of 2,250 hectares (the "**Newcastle**" mineral tenures) located on the Property, a portion of which is subject to a 2% NSR and other portions to a 1% NSR. The Company has the right, at any time, to buy back 100% of the 1% NSR on tenure number 222212 for $500,000. The purchase consideration comprised an initial payment of $400,000 in the form of 2,139,037 issued common shares of the Company and a final payment of either 1,426,025 common shares of the Company or $400,000 in cash, at the Vendor's option. The final payment, in cash, was completed on June 23, 2011.

On November 16, 2009, the Company purchased a 100% interest in four mineral tenures with a combined area of 1,800 hectares (the "**Chebry**" mineral tenures) located on the Property. The purchase consideration comprised a cash payment of $50,000 paid at the time of purchase; $75,000 payable on or before November 17, 2010 in cash or 300,000 common shares of the Company, at the Vendor's option (300,000 common shares were issued October 25, 2010); $500,000 cash payable on or before November

17, 2011 and expenditures on geophysical work, since completed, in excess of $50,000. With the Vendor's agreement, the final payment was made in two portions; $250,000 cash was paid on November 17, 2011 and $250,000 cash was paid on January 3, 2012.

During November 2010, the Company purchased a 100% interest in thirty mineral tenures with a combined area of 8,775 hectares (the "**Inel**" mineral tenures) on the Property. The purchase consideration comprised an initial payment of $703,000 in the form of 2,179,845 common shares of the Company, issued on November 25, 2010, valued at $0.3225 per share and, at the option of the Vendor, a final payment of either $703,000 in cash or 1,453,380 common shares valued at $0.4837 per share on or before November 17, 2011. On January 30, 2012, an amendment to the original agreement was accepted which extended the final payment due date and reduced the final payment to $175,750 cash paid on January 31, 2012 as well as 1,000,000 common shares valued at $0.175 per share issued February 9, 2012 with approval from the TSX Venture Exchange. The amount included in land acquisition installments at January 31, 2012 was $175,000.

On April 1, 2011, the Company purchased a 100% interest in two mineral tenures with a combined area of 373 hectares located on the Property. The purchase consideration comprised a cash payment of $10,000 paid at the time of purchase.

On June 7, 2011, the Company signed a letter agreement with Golden Band Resources Inc. and its joint venture partner, American Bonanza Gold Corp., for the Company to acquire 95% of the Iskut River Joint Venture ("**IJV**") mineral claims totaling 4,250 hectares that are adjacent to the historic Snip mine and the Newcastle tenures. An existing 2% NSR on the mineral claims will continue and the Company has entered preliminary discussions with the NSR holders to acquire it for shares. As full consideration and with TSX Venture Exchange approval, on December 28, 2011, the Company issued 5,000,000 common shares valued at $1,262,250 and 2,500,000 common share purchase warrants exercisable until June 7, 2016 at $0.50.

Skyline is responsible for all remediation and reclamation work resulting from exploration and drilling programs where trees were cut in order to construct drill pads. All proposed exploration work in the Province of British Columbia must receive prior approval by issuance of a work permit by the Ministry of Energy and Mines. Such approval is routinely given and will be obtained with no difficulty in the areas to be explored subject to normal reclamation and environmental guidelines. At present, Skyline holds three (3) multi-year Mines Permits for exploration at the Iskut Property covering 49 of the 86 mineral claim tenures and all crown grants. Mines Permit MX-1-46 (Iskut Property) currently expires Dec. 31, 2012, covers 20 mineral tenures, 13 crown grants, and has $39,000 security posted. An amendment submitted to BC Mines is currently out for review. The amendment requests extending expiry date to March 31, 2017, adds 18 mineral tenures, additional drilling, line cutting, and helipads and places the exploration camp within the tenures. BC Ministry of Energy and Mines has requested an additional $65,000 in bonding which has been put in place for a total of $104,000 on the permit. Skyline is awaiting final issuance of the revised permit. Mines Permit MX-1-707 (Snip North) currently expires March 31, 2017, covers one mineral tenure and has $40,000 bonding in place. Mines Permit MX-1-870 (Golden Triangle North) currently expires March 31, 2017, covers 10 mineral tenures and has $40,000 bonding in place.

As of July 1, 2012, the cost of holding title to ground held by mineral cell claims for the first two years after registration is $5.00 per hectare of exploration work plus a $1.75 per hectare fee; in subsequent years the cost is $10.00 per hectare for years three and four, $15.00 per hectare for years for years five and six, and $20 per hectare in subsequent years. Crown granted mineral claims are assessed for taxes on May 1 of every year with notices sent to registered owners in May and taxes due July 2 in the given year.

4.2 Environmental Issues

The Iskut Property encompasses the former underground gold mining operation known as Johnny Mountain Mine located at UTM 372737E, 6277948N (Zone 9, NAD 83). The site dimensions are approximately 700 m by 1000 m. Site development began in 1986 and mining operations were conducted from 1986 to 1988. There was also a three month operating period in 1993. The milling process was comprised of conventional grinding and gravity separation. A cyanide leach process was initially included in the mill design. Due to inefficiencies, the cyanide leach process was decommissioned during active mining operations.

At present three permits are applicable to the Johnny Mountain site; Reclamation Permit M-178, and Waste Management permits PE-8415 and PR-7927. From 2002 through 2008 reclaim activity was intermittent and minimal. In 2009, 2010 and 2011 reclamation work progressed following a list of prioritized tasks and annual reports as required by Permit M-178 have been submitted to the BC Ministry of Mines. In 2011 this work included non-hazardous site cleanup; geotechnical test work in sighting a potential permanent landfill site, including test pits, that meets BC Ministry of Environment requirements and continuation of the water quality monitoring program. The overall objective of the reclamation plan for the Johnny Mountain Mine is to return disturbed lands and new anthropogenic landforms to their original land use, specifically relating to alpine tundra wildlife habitat. A total of $202,310 in term deposits is currently posted with BC Ministry of Energy and Mines as security with respect to Reclamation Permit M-178. In addition, an Asset Security Agreement in the amount of $360,000 was in place. Skyline is currently in discussions with BC Ministry of Energy and Mines to re-establish this Asset Security Agreement. Greenwood Environmental (2012) completed an environmental reclamation report for 2011. From January 1 to December 31, 2011, Skyline spent $132,156 on reclamation efforts.

A series of programs for the prediction, prevention and/or treatment of metal leaching and acid rock drainage (ML/ARD) were completed between 2002 and 2008 (Greenwood Environmental, 2012). Results of the 2008 sampling program indicated that ML/ARD is being generated in small areas on site. However, it does not appear to pose a risk to the receiving environment. As well, data indicates that effects from burial sites and disturbed areas are localized and do not extend to the receiving environment.

Water quality monitoring at site was initiated in 1986 on Johnny and Stonehouse creeks downstream of past mining activity. Skyline also initiated monitoring of tailings impoundment discharge in 1989, discharge from the underground workings in 1990, and sumps at the base of the three main waste rock dumps at the 10, 11 and 12 levels in 1991. This water quality monitoring program was expanded in 2001 in conjunction with the BC Ministry of Environment and as an amendment to Waste Management permit PE-8415. Additional water quality sample stations in Johnny and Stonehouse creeks upstream of the Johnny Mountain Mine site were established and have been sampled between 2008 and 2011. The Johnny Mountain water quality data set is difficult to analyze due to large gaps in the record, utilizing different labs and varying detection limits. Concentrations of dissolved aluminium, cadmium, copper, iron and zinc downstream of the Johnny Mountain Mine site (i.e. receiving environment) have exceeded their respective BC water quality guidelines for protection of aquatic life with differing degrees of regularity. This likely a reflection of naturally elevated surface water metals concentrations due to the relative abundance of high-grade mineralization in the geology of the area as documented in upstream sampling results (Greenwood Environmental, 2012).

At the present time, the infrastructure development at the Iskut Property is limited to airstrip and buildings at the Bronson airstrip and a network of tote roads. Most of the buildings at Johnny Mountain have been emptied, demolished, and burned. There are still some structures and equipment on site including the tailings impoundment, airstrip, mill building, two ventilation shafts, vehicle storage area, core storage areas, a shipper container and tank farm areas.

There are rusty coloured seeps in the Bronson Creek valley, which are no doubt emanating from iron sulphide mineralization in the Bronson Slope Deposit and these seeps are natural in origin. Rusty coloured seeps also occur on Johnny Mountain above the decommissioned Johnny Mountain mine site, these seeps are also emanating from iron sulphide mineralization which occurs above the mine site, and these seeps are natural in origin.

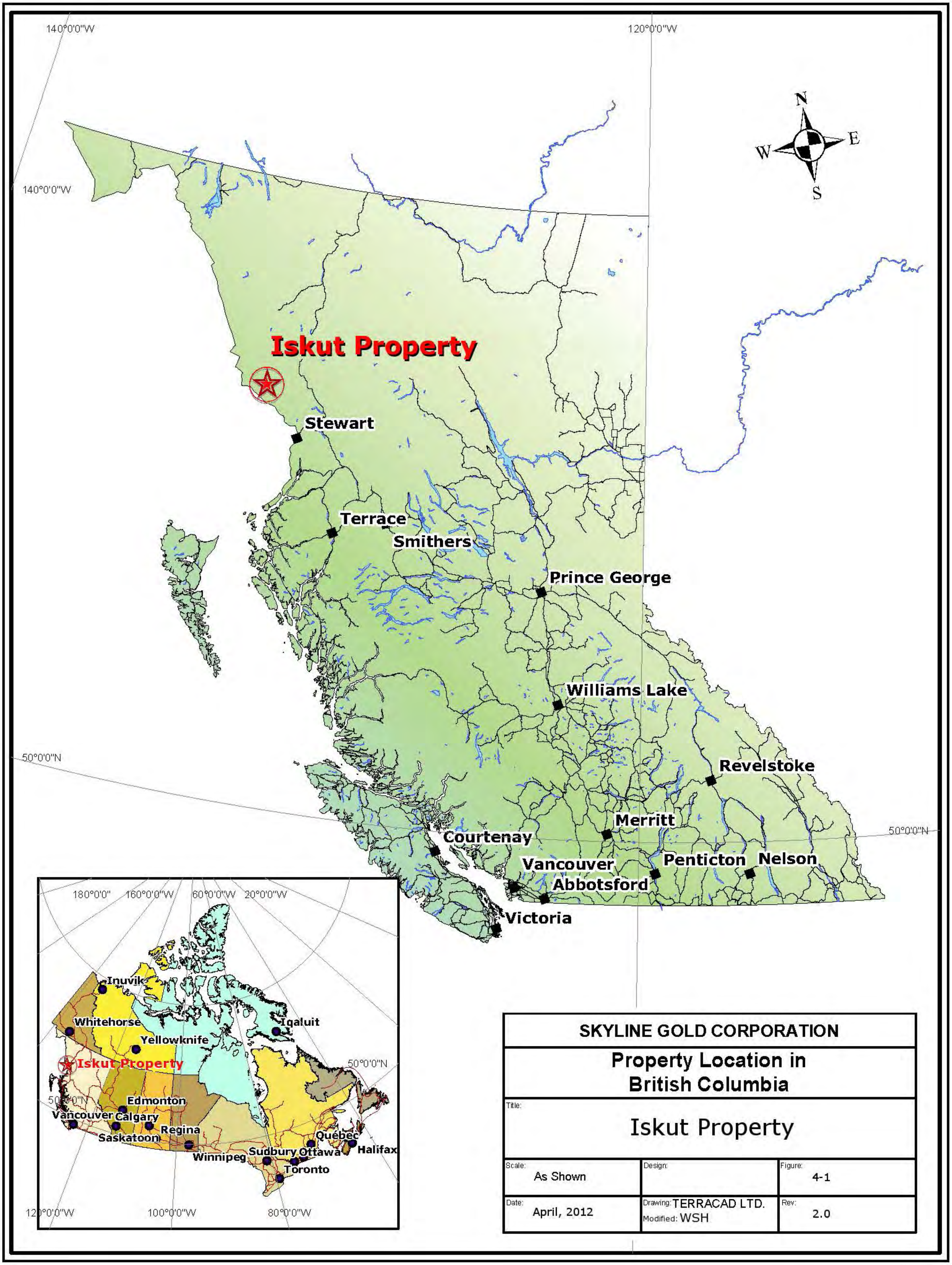
TABLE 4-1
ISKUT PROPERTY MINERAL TENURE

Claim Name	Tenure Number	Hectares	Expiry Date	Owner
HANDEL	221996	500	December 31, 2014	Skyline Gold Corporation
RAVEL	221997	500	December 31, 2014	Skyline Gold Corporation
CHOPIN I	222135	500	December 31, 2014	Skyline Gold Corporation
CHOPIN II	222136	300	December 31, 2014	Skyline Gold Corporation
HEMLO WEST 12	222197	500	December 31, 2014	Hattrick Resources Corp*. 95% /Golden Band Resources 5%
HEMLO WEST 13	222198	500	December 31, 2014	Hattrick Resources Corp*. 95% /Golden Band Resources 5%
HEMLO WEST 14	222199	375	December 31, 2014	Hattrick Resources Corp*. 95% /Golden Band Resources 5%
HEMLO WEST 15	222200	400	December 31, 2014	Hattrick Resources Corp*. 95% /Golden Band Resources 5%
HEMLO WEST 16	222201	500	December 31, 2014	Hattrick Resources Corp*. 95% /Golden Band Resources 5%
WARATAH #7	222212	500	November 30, 2018	Skyline Gold Corporation
AURUM 3	222236	500	December 31, 2014	Hattrick Resources Corp*. 95% /Golden Band Resources 5%
AURUM 4	222237	125	December 31, 2014	Hattrick Resources Corp*. 95% /Golden Band Resources 5%
HEMLO WEST 18	222239	400	December 31, 2014	Hattrick Resources Corp*. 95% /Golden Band Resources 5%
VER 1	222515	500	December 31, 2014	Hattrick Resources Corp*. 95% /Golden Band Resources 5%
ISK 1	222516	450	December 31, 2014	Hattrick Resources Corp*. 95% /Golden Band Resources 5%
BUG 1	392384	300	November 30, 2018	Skyline Gold Corporation
BUG 2	392385	300	November 30, 2018	Skyline Gold Corporation
BUG 3	392386	300	November 30, 2018	Skyline Gold Corporation
SNIP NORTH	392387	400	March 13, 2018	Skyline Gold Corporation
PHIZ 1	396466	450	September 19, 2014	Skyline Gold Corporation
jmx	508278	409.547	December 31, 2015	Skyline Gold Corporation
jmx2	508279	356.247	December 31, 2015	Skyline Gold Corporation

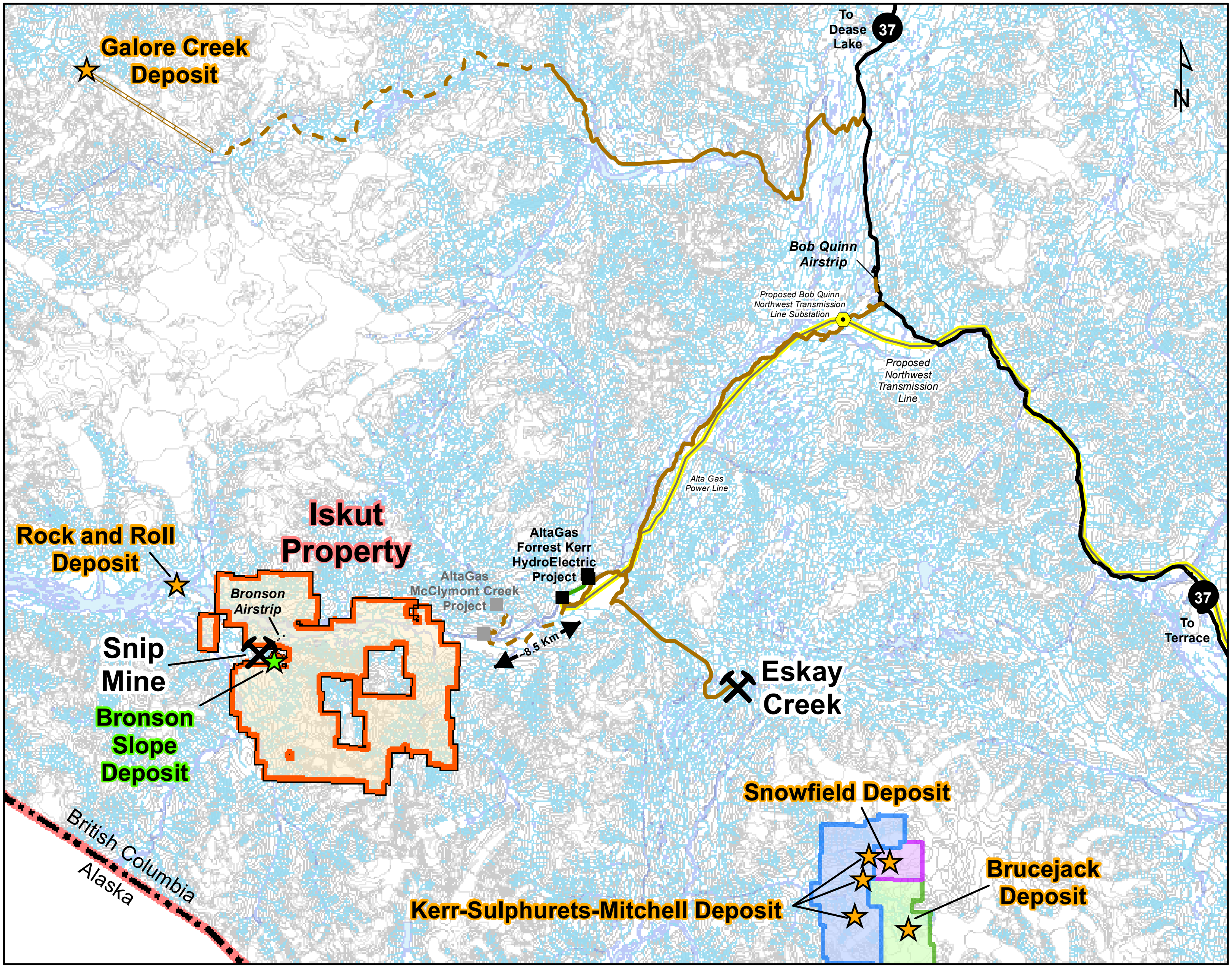
jmx3	508280	356.325	December 31, 2015	Skyline Gold Corporation
jmx4	508282	124.635	December 31, 2015	Skyline Gold Corporation
BURNIE2	517738	178.046	December 31, 2015	Skyline Gold Corporation
BRONSON	517750	409.107	December 31, 2015	Skyline Gold Corporation
BRONSON2	517754	106.692	December 31, 2014	Skyline Gold Corporation
SKYFILL1	517756	427.192	December 31, 2015	Skyline Gold Corporation
BURNIEADD	517757	195.97	December 31, 2015	Skyline Gold Corporation
BURNIEADD1	517759	53.428	December 31, 2015	Skyline Gold Corporation
HIGHADD	523329	178.1	December 31, 2015	Skyline Gold Corporation
JEKYLLADD	523331	124.65	December 31, 2015	Skyline Gold Corporation
	523334	622.647	December 31, 2015	Skyline Gold Corporation
	523335	1353.51	December 31, 2015	Skyline Gold Corporation
	523337	1263.6	December 31, 2015	Skyline Gold Corporation
	523339	355.767	December 31, 2015	Skyline Gold Corporation
SNIP 1	523348	284.618	March 1, 2020	Skyline Gold Corporation
KATYADD	523932	17.78	December 31, 2014	Skyline Gold Corporation
CGADD	523933	17.78	December 31, 2014	Skyline Gold Corporation
CG1	527173	17.788	December 31, 2014	Skyline Gold Corporation
KUT M	528422	284.541	December 31, 2014	Skyline Gold Corporation
ST ANDREW 2	530906	178.103	December 31, 2014	Skyline Gold Corporation
ST ANDREW 1	530907	249.275	December 31, 2014	Skyline Gold Corporation
ST ANDREW 3	530910	17.807	December 31, 2014	Skyline Gold Corporation
BRONSON SLOPE FRACTION	552657	17.7785	March 1, 2020	Skyline Gold Corporation
KHBER PASS 1	566844	106.892	December 31, 2014	Skyline Gold Corporation
KHBER PASS 2	566845	320.668	December 31, 2014	Skyline Gold Corporation
KUT ABC	570110	658.237	December 31, 2014	Skyline Gold Corporation
ST ANDREW 1	570253	177.679	December 31, 2014	Skyline Gold Corporation

ST ANDREW 2	570254	266.567	December 31, 2014	Skyline Gold Corporation
ST ANDREW 3	570258	568.871	December 31, 2014	Skyline Gold Corporation
INEL WEST 1	570937	284.689	December 31, 2014	Skyline Gold Corporation
RIVER	572338	177.764	December 31, 2014	Skyline Gold Corporation
	598285	444.975	December 31, 2014	Skyline Gold Corporation
	598286	427.168	December 31, 2014	Skyline Gold Corporation
	598292	444.987	December 31, 2014	Skyline Gold Corporation
	598293	409.564	December 31, 2014	Skyline Gold Corporation
	598294	267.082	December 31, 2014	Skyline Gold Corporation
	598300	35.5915	December 31, 2014	Skyline Gold Corporation
RESURRECTION OF THE DEAD	598666	17.7958	December 31, 2014	Skyline Gold Corporation
SNIPPED	598751	160.006	December 31, 2014	Skyline Gold Corporation
KHYBER PASS 3	600290	356.385	December 31, 2014	Skyline Gold Corporation
KHYBER PASS 4	663823	427.745	December 31, 2014	Skyline Gold Corporation
KHYBER PASS 5	663824	445.552	December 31, 2014	Skyline Gold Corporation
SNIPPAKER-1	705126	444.218	December 31, 2014	Skyline Gold Corporation
GOLD COUNTRY	705127	444.221	December 31, 2014	Skyline Gold Corporation
FINAL APPROACH	705128	444.082	December 31, 2014	Skyline Gold Corporation
DESCENT	705130	301.96	December 31, 2014	Skyline Gold Corporation
BLOCK	705133	17.7625	December 31, 2014	Skyline Gold Corporation
FLATS	705588	17.788	December 31, 2014	Skyline Gold Corporation
ISKUT GOLD	817202	88.8526	December 31, 2014	Skyline Gold Corporation
ST ANDREW 5	831390	284.466	December 31, 2014	Skyline Gold Corporation
ST ANDREW 5	831393	284.592	December 31, 2014	Skyline Gold Corporation
ST ANDREW 7	831397	71.1714	December 31, 2014	Skyline Gold Corporation
NEW SNIP 1	833742	445.292	December 31, 2014	Skyline Gold Corporation
NEW SNIP 2	833743	356.129	December 31, 2014	Skyline Gold Corporation

NEW SNIP 3	833744	374.142	December 31, 2014	Skyline Gold Corporation
NEW SNIP 4	834157	71.2607	December 31, 2014	Skyline Gold Corporation
NEW SNIP 5	834369	142.6	December 31, 2014	Skyline Gold Corporation
NEW SNIP 5	834370	356.535	December 31, 2014	Skyline Gold Corporation
TRIANGLE NORTH	846362	213.07	December 31, 2014	Skyline Gold Corporation
TN2	846376	159.86	December 31, 2014	Skyline Gold Corporation
HEMLO WEST 19	864934	71.02	December 31, 2014	Skyline Gold Corporation
AURUM 5	864935	17.77	December 31, 2014	Skyline Gold Corporation
BURNIE1	940827	409.93	January 12, 2013	Skyline Gold Corporation
AURUM 6	953290	35.52	February 28, 2013	Skyline Gold Corporation
Crown Grants	**Lot Number**	**Hectares**	**Taxes Due Date**	**Owner**
RED BLUFF	2857	20.902	July 2, 2012	Tuksi Mining & Development Company Limited*
HOMESTAKE	2858	17.276	July 2, 2012	Tuksi Mining & Development Company Limited*
RED BIRD	2859	17.24	July 2, 2012	Tuksi Mining & Development Company Limited*
MERMAID	2860	20.315	July 2, 2012	Tuksi Mining & Development Company Limited*
EL ORO	2862	20.902	July 2, 2012	Tuksi Mining & Development Company Limited*
SILVER KING	2863	18.838	July 2, 2012	Tuksi Mining & Development Company Limited*
GOLDEN PHEASANT	2864	18.899	July 2, 2012	Tuksi Mining & Development Company Limited*
BROWN BEAR	2865	20.7	July 2, 2012	Tuksi Mining & Development Company Limited*
ISKOOT	2866	20.7	July 2, 2012	Tuksi Mining & Development Company Limited*
SILVER DOLLAR	2867	19.546	July 2, 2012	Tuksi Mining & Development Company Limited*
MARGUERITE	2868	19.749	July 2, 2012	Tuksi Mining & Development Company Limited*
BLUE GROUSE	2869	20.898	July 2, 2012	Tuksi Mining & Development Company Limited*
COPPER QUEEN	2870	20.898	July 2, 2012	Tuksi Mining & Development Company Limited*
	Total	**27208.3**		*wholly owned subsidiary of Skyline Gold Corporation



140°0'0"W
120°0'0"W
140°0'0"W
50°0'0"N
50°0'0"N
N
E
S
W
Iskut Property
Stewart
Terrace
Smithers
Prince George
Williams Lake
Revelstoke
Merritt
Courtenay
Penticton
Nelson
Vancouver
Abbotsford
Victoria
180°0'0"
160°0'0"W
60°0'0"W
20°0'0"W
Inuvik
Whitehorse
Yellowknife
Iqaluit
Iskut Property
50°0'0"N
Edmonton
Vancouver
Calgary
Regina
Saskatoon
Winnipeg
Québec
Halifax
Sudbury
Ottawa
Toronto
120°0'0"W
100°0'0"W
80°0'0"W
SKYLINE GOLD CORPORATION
Property Location in British Columbia
Title: Iskut Property
Scale: As Shown
Design:
Figure: 4-1
Date: April, 2012
Drawing: TERRACAD LTD.
Modified: WSH
Rev: 2.0



List of Reserves & Resources

Eskay Creek[1]
2.1 Million Tonnes (past producer)
49.50 g/t Au, 2,406.64 g/t Ag
3.27 Moz Au, 158.8 Moz Ag

Brucejack Deposit[2]
9.3 Million Tonnes (M & I)
16.92 g/t Au, 105.60 g/t Ag
5.06 Moz Au, 31.1 Moz Ag

Snowfield Deposit[2]
1,370.1 Million Tonnes (M & I)
0.59 g/t Au, 1.72 g/t Ag, 0.10% Cu
25.92 Moz Au, 75.8 Moz Ag, 2.9 Blbs Cu

Kerr Sulphurets[3]
2,192.4 Million Tonnes (P & P)
0.55 g/t Au, 3.04 g/t Ag, 0.21% Cu
38.5 Moz Au, 214.0 Moz Ag, 9.9 Blbs Cu

Galore Creek[4]
528.0 Million Tonnes (P & P)
0.32 g/t Au, 6.02 g/t Ag, 0.50% Cu
5.45 Moz Au, 102.2 Moz Ag, 6.8 Blbs Cu

Rock and Roll Deposit[5]
2.156 Million Tonnes (I)
0.68 g/t Au, 82.7 g/t Ag, 0.94% Zn

M & I — Measured & Indicated Resource
P & P — Proven & Probable Reserve
As per CIMM classification

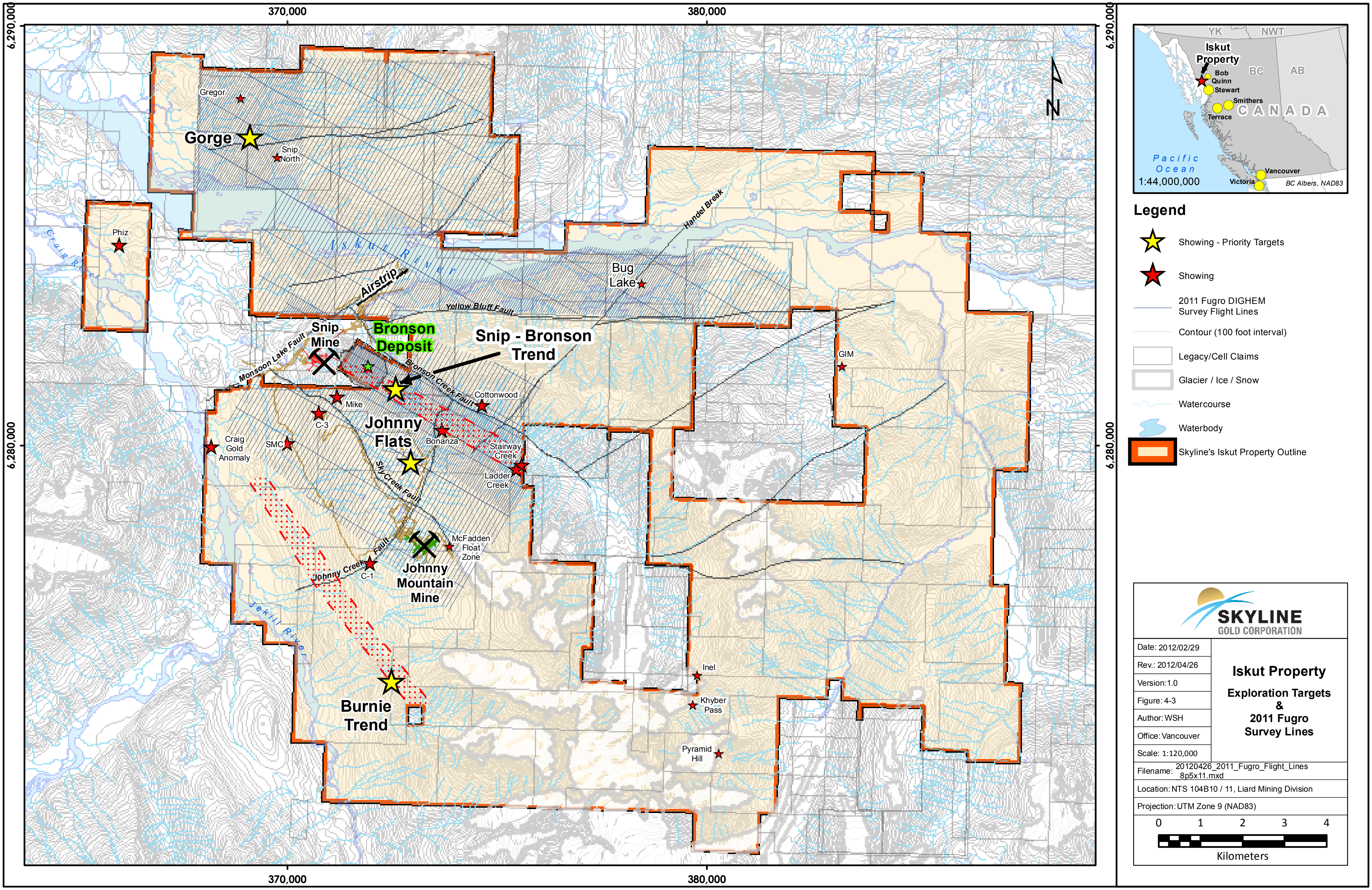
[1] BC Minfile
[2] www.pretivm.com
[3] www.seabridgegold.net
[4] www.novagold.com
[5] www.sedar.com

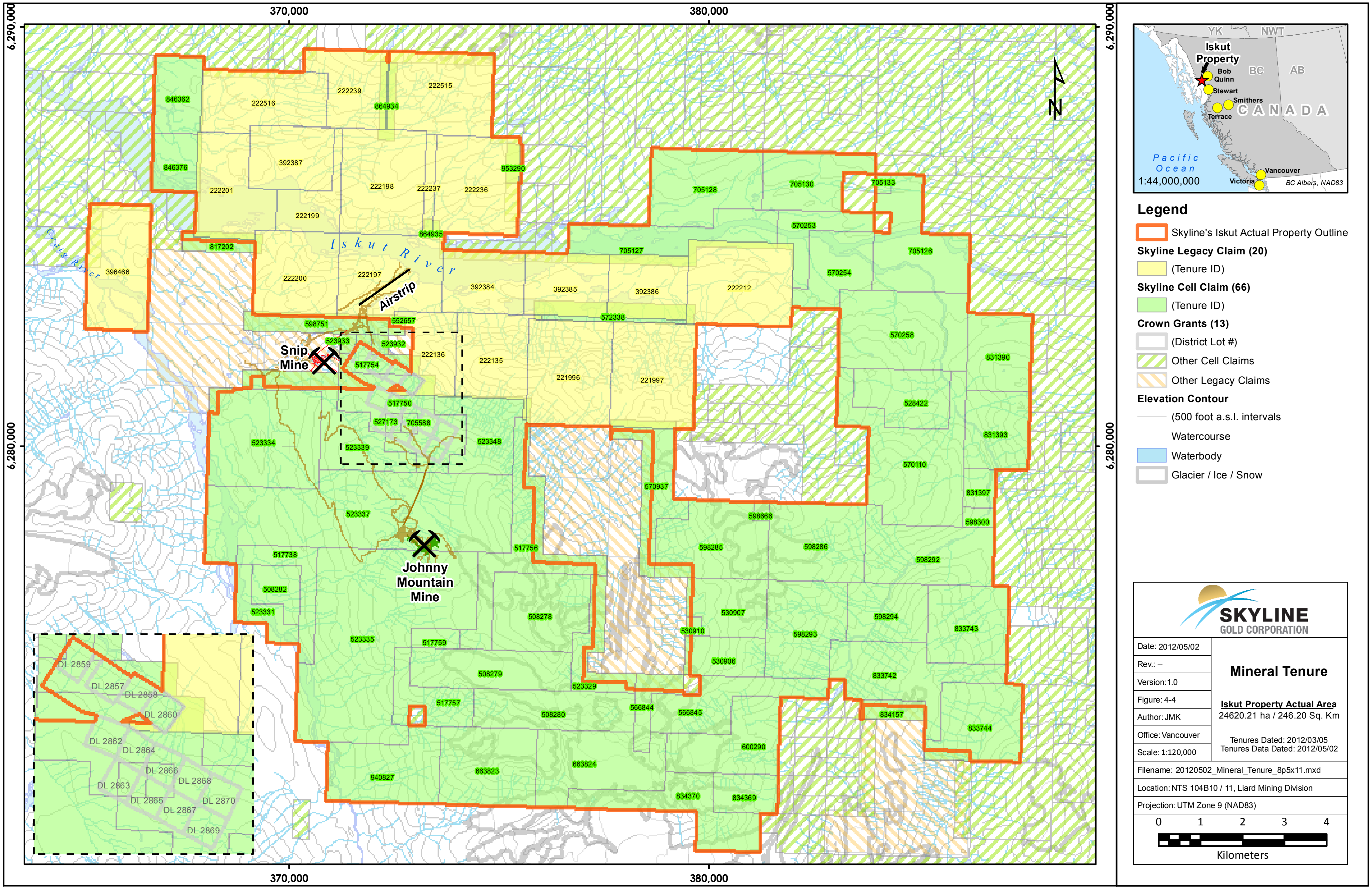
SKYLINE GOLD CORPORATION

Date: 2012/03/02	**Iskut Property**
Rev.: 2012/04/26	**District Location Map**
Version: 1.0	
Figure: 4-2	
Author: WSH	
Office: Vancouver	
Scale: 1:500,000	

Filename: 20120426_Booklet_Project_Access_8p5x11.mxd
Location: NTS 104A,B,G,H, Liard/Skeena Mining Divisions
Projection: UTM Zone 9 (NAD83)

0 4 8 12 16 20
Kilometers


370,000
380,000
6,290,000
6,280,000
Gregor
Gorge
Snip North
Phiz
Craig River
Iskut River
Airstrip
Bug Lake
Handel Break
Yellow Bluff Fault
Snip Mine
Bronson Deposit
Snip - Bronson Trend
Monsoon Lake Fault
Bronson Creek Fault
Cottonwood
Mike
C-3
Johnny Flats
Bonanza
Craig Gold Anomaly
SMC
Stairway Creek
Ladder Creek
Sky Creek Fault
McFadden Float Zone
Johnny Creek Fault
C-1
Johnny Mountain Mine
Jekill River
Burnie Trend
GIM
Inel
Khyber Pass
Pyramid Hill
N
YK
NWT
Iskut Property
Bob Quinn
Stewart
Smithers
Terrace
BC
AB
CANADA
Pacific Ocean
Vancouver
Victoria
1:44,000,000
BC Albers, NAD83
Legend
Showing - Priority Targets
Showing
2011 Fugro DIGHEM Survey Flight Lines
Contour (100 foot interval)
Legacy/Cell Claims
Glacier / Ice / Snow
Watercourse
Waterbody
Skyline's Iskut Property Outline
SKYLINE GOLD CORPORATION
Date: 2012/02/29
Rev.: 2012/04/26
Version: 1.0
Figure: 4-3
Author: WSH
Office: Vancouver
Scale: 1:120,000
Iskut Property
Exploration Targets & 2011 Fugro Survey Lines
Filename: 20120426_2011_Fugro_Flight_Lines 8p5x11.mxd
Location: NTS 104B10 / 11, Liard Mining Division
Projection: UTM Zone 9 (NAD83)
0 1 2 3 4
Kilometers



370,000
380,000
6,290,000
6,280,000
Iskut River
Craig River
Airstrip
Snip Mine
Johnny Mountain Mine
N
Iskut Property
YK
NWT
BC
AB
Bob Quinn
Stewart
Smithers
Terrace
CANADA
Pacific Ocean
Vancouver
Victoria
1:44,000,000
BC Albers, NAD83
Legend
Skyline's Iskut Actual Property Outline
Skyline Legacy Claim (20)
(Tenure ID)
Skyline Cell Claim (66)
(Tenure ID)
Crown Grants (13)
(District Lot #)
Other Cell Claims
Other Legacy Claims
Elevation Contour
(500 foot a.s.l. intervals
Watercourse
Waterbody
Glacier / Ice / Snow
SKYLINE GOLD CORPORATION
Date: 2012/05/02
Rev.: --
Version: 1.0
Figure: 4-4
Author: JMK
Office: Vancouver
Scale: 1:120,000
Mineral Tenure
Iskut Property Actual Area
24620.21 ha / 246.20 Sq. Km
Tenures Dated: 2012/03/05
Tenures Data Dated: 2012/05/02
Filename: 20120502_Mineral_Tenure_8p5x11.mxd
Location: NTS 104B10 / 11, Liard Mining Division
Projection: UTM Zone 9 (NAD83)
0 1 2 3 4
Kilometers
DL 2859
DL 2857
DL 2858
DL 2860
DL 2862
DL 2864
DL 2866
DL 2868
DL 2863
DL 2865
DL 2867
DL 2870
DL 2869

5.0 Accessibility, Infrastructure, Power, Climate, Physiography, Flora & Fauna

Item 5.5 is taken from the Preliminary Economic Assessment (PEA) report of Lawrence and Seen (2009). Here, an in depth discussion is also given for consideration of future mine production for topics including water use, tailings storage, mine waste disposal, process plant site and mining personnel. The reader is referred to the PEA for detailed mining considerations for accessibility, infrastructure, and local resources.

5.1 Access & Infrastructure

The Property consists of 86 Mineral Tenures and 13 Crown Granted Mineral Claims in the Liard Mining Division of British Columbia. The property lies within the metallogenetically important Stewart-Iskut River area, north-western British Columbia. It lies on NTS map sheet 104B 11E & 10W at 56° 40' North Latitude and 131° 05' West Longitude and 70 km west of Bob Quinn airstrip on the Stewart-Cassiar Highway. It is in UTM Zone 9, NAD 83

The Iskut Property is 110 km northwest of Stewart, B.C and the eastern boundary is 50 km southwest of Bob Quinn airstrip on the Stewart-Cassiar Highway. The existing 40 km of road access to the area is comprised first of a road leading from Highway 37 at Bob Quinn Lake to the former producing Eskay Creek gold-silver mine. AltaGas has permission under a Special Use Permit and a Road User Permit to use the Eskay Creek access road to km 43.3. From the Eskay road, AltaGas has constructed a road approximately 5 km. for its Forrest Kerr hydroelectric project. Skyline has a Road Use Agreement with AltaGas with certain terms for access and staging to use this road for access to the Iskut Property. AltaGas is scheduled to construct a further 9.5 km section of road in 2012, southwest and along the Iskut River, to access the McClymont Hydroelectric project. It is assumed Skyline will reach an agreement to use this road thus giving them access to within 5 km of almost to the eastern boundary of the Property. Note **Figure 4-2**.

The Property covers and lies both south and north of the broad Iskut River Valley To the south and north of the Iskut River the Property covers glaciers and mountainous terrain including the former producing Johnny Mountain Gold Mine. On the west side of the Property, on the south side of the Iskut River, the former producing high-grade Snip Gold Mine is located.

Two airstrips suitable for Hercules aircraft or equivalent service the Property. One occurs at 100m elevation at Bronson Airstrip, which is the old campsite of the closed Snip Gold Mine and now hosts the Skyline exploration camp. In October 2008 Skyline Gold announced receipt of the assignment by Barrick Gold of the Bronson Airstrip License of Occupation ("LoO") (Skyline Gold Press Release October 16, 2008). The License is for 39 hectares of land covering an area of 1780 m by 220 m which is capable of serving C-130 Hercules cargo aircraft. The airstrip license is BC License No. 635844 and expires on October 1, 2018. Skyline has an additional License of Occupation (LoO 706004, expiry May 24, 2020) adjacent to the west side of the airstrip upon which in prior years the exploration camp and storage were situated. Additional LoOs held by other companies and individuals are situated in the vicinity of the Bronson Airstrip. All of the LoO include a requirement for maintenance of the dyke protecting the airstrip. It is expected in 2012 that Skyline will be completing work to help stabilize the dyke.

The second airstrip occurs in the alpine meadow and plateau at 1100m elevation near the closed Johnny Mountain Gold Mine. In recent years helicopters working for the mineral exploration industry out of Bob Quinn airstrip have been available for work in the area.

Access to the Property can be made from Smithers, B.C., Terrace, B.C., or Wrangell, Alaska to the airstrips mentioned above at the mine sites. Alternatively vehicles can be driven to Bob Quinn via paved highway to co-ordinate access by helicopter or fixed wing when they are available. A 10 km road connects the two airstrips through the Iskut Property thereby providing vehicle access to the Snip-Bronson Trend and Johnny Flats. Old drill roads lead north and northwest from the Johnny Mountain airstrip and require rehabilitation. The 10 km road referred to requires yearly maintenance. A dozer equipped tractor crawler, owned by Skyline, is available at Bronson Airstrip for this purpose.

Skyline Gold maintains and operates a seasonal exploration camp on the west side of the Bronson Airstrip which will be relocated in 2012 to the southeast end of the airstrip within the Company's mineral claims. This exploration camp in 2012 will be capable of servicing up to 25-30 personnel. Also, at the northwest end of the Bronson airstrip, a seasonal camp is located beside the Iskut River under a License of Occupation not held by Skyline. The exploration field season is from late May through to early October.

5.2 Power

It is assumed that power will eventually be supplied from the proposed Northern Transmission Line (NTL) main grid line located at Bob Quinn Lake (approximately 60km from site). An opportunity exists for a direct connection to the BC Hydro grid through the proposed Forrest Kerr or McClymont hydro power stations. Up to 195MW of power will be provided from the Forest Kerr run of river hydroelectric power station and approximately 55 to 70 MW from McClymont.

The Northwest Transmission Line (NTL) received environmental approvals in May 2011 and construction started in December of 2011. The 287 kV line will start from the Skeena substation near Terrace and run 344 km north to a new substation near Bob Quinn Lake. Completion of the line and commissioning is currently scheduled for spring 2014.

5.3 Physiography

The Property straddles the east to west flowing Iskut River but is located mostly south of the Iskut River Valley. The Property has approximate dimensions east-west and north-south of 23 and 18 km, respectively. The terrain is rugged with the range in elevation between the valley of the Iskut River (about 100 metres) and the plateau of Johnny Flats above Bronson Creek is about 1000 metres. Elevations to 2230 metres occur on Johnny Mountain. Below tree line, topography is moderate to steep. In the district area glaciers are common and extend to low elevations (400 to 800 metres elevation) in the valleys.

Major valleys are densely vegetated with thick grass, brush and smaller trees. Peaks are barren and alpine in nature. Much of the area consists of sparse outcrops.

5.4 Climate

Climate in the area is typical for this portion of British Columbia – cool summers and cold winters. Although Pacific weather disturbances greatly influence the weather patterns at the site, temperatures are generally cooler than those of the northern coastal climate. The nearest weather monitoring station was located at Bronson Creek and was in operation until 1999. Data recorded from 1994 to 1998 (Lawrence and Seen 2009) shows the annual precipitation ranged between 2100 and 1300 mm. Approximately 30% of all precipitation fell as snow. Precipitation levels were highest in September and October and lowest in May through August.

Mean daily temperatures were highest in July and August reaching approximately 16 ^{o}C, and lowest in January falling to -15 ^{o}C. The highest temperature recorded on site over the 5-year period was -31 ^{o}C and the lowest temperature recorded was -32 ^{o}C. A summary of the climate data recorded at the Bronson creek location is included in **Table 5-1**.

TABLE 5-1

CLIMATIC DATA

Year	Total Precipitation (mm)	Total Snow (mm equiv.)	Mean T (^{0}C)	Extreme Min T (^{0}C)	Extreme Max T (^{0}C)
1998	1300.5	212.7	4.7	-26	31
1997	1572.7	298.8	5.2	-32	28
1996	1378.1	446.6	3.2	-33	29
1995	1286.9	401.8	4.9	-31	29
1994	2110.5	799.8	4.5	-23	30

5.5 Flora and Fauna

The area is generally thickly vegetated with a forest of mountain hemlock and Sitka spruce. Steeper slopes and gullies are commonly covered with thickets of slide alder and devils club, which make traversing extremely difficult. On the Johnny Mountain plateau (Woznow and Yeager, 1999) within the Alpine Tundra Zone there is variety that is attributable to microenvironments primarily based on moisture conditions. The dominant species are Alaskan Moss Heather and Cream Mountain Heather, which comprise approximately 85% of the vegetative cover in the vicinity of Johnny Mountain.

Wildlife in the area is limited in its number of resident species due to the relatively exposed conditions that prevail on the Johnny Mountain plateau. Hoary marmots were the most prevalent species observed in the baseline studies. Marten, weasel, pack rat, deer mouse and northern red-backed voles are other species observed or expected to be present at the Johnny Mountain site prior to operations. Pre-existing hoary marmot colonies remained intact during operations despite extremely close proximity to heavy vehicular traffic. Marten presently inhabit the unused buildings, no doubt enjoying an abundant harvest of small rodents.

Large mammals comprising mountain goat, wolf, grizzly bear and black bear have all been observed directly or indirectly. These are all considered transient, however, as no sign of residency was observed.

Mountain goats have been observed on the side slopes of Johnny Mountain. Geologists on traverse on the flanks of Johnny Mountain have, on rare occasions, sighted individual or small groups of mountain goats. These goats were thought to be transient members of a known group normally resident on Snippaker Ridge, located on the northeast side of the Bronson Creek valley, or possibly members of groups normally resident in the mountain ranges further to the south of Johnny Mountain.

Grizzly bears and black bears were observed annually at the adjacent Johnny Mountain mine site during past mining operations but due to daily incineration of garbage and a ban on the casual discharge of firearms, there were no adverse effects on bears or humans. A small number (approximately ten) of black and grizzly bear encounters with exploration workers on remote parts of Skyline's surrounding exploration property during the period 1987 to 1990 resulted in the bears being warned off by loud noise making devices or capsicum sprays.

Local bird species observed pre-development include white-tailed ptarmigan, ruffed grouse, raven, sparrow and golden eagle. These species remained resident at the site during operations and remain so at present. Raven and sea gull populations increased markedly during operations but quickly returned to normal levels when operations ceased. It is stated that approximately 55 species of songbirds possibly frequent the Johnny Mountain Mine site

6.0 History

The Iskut Property history is summarized in some detail below. Exploration history is presented for the original property controlled up to 2009 and then for those properties acquired through option/purchase agreements from late 2008 through 2011. The history will also cover the Iskut Property Controlled by Skyline pre-2009, the Newcastle Minerals Ltd properties acquired in 2010, and the Inel property from St. Andrews Goldfields Ltd., and the Iskut Joint Venture (Golden Band Resources Inc., American Bonanza Gold Corp.) properties acquired in 2011

6.1 Iskut Property Targets Controlled by Skyline - pre 2009

References include Yeager (1994), Yeager (1998b), and Yeager (2003). In 1907, a prospecting party from Wrangell, Alaska recorded claims on Bronson Creek. These claims were later Crown Granted and remain in existence today. In the period 1911 to 1920 the Iskut Mining Company reported drifting, trenching and stripping a number of gold bearing veins on the Red Bluff and Iskut claims on the northeastern portion of the Property. From 1954 to 1960 Hudson Bay Mining and Smelting Co. Ltd. completed exploration drilling resulting in the discovery of copper prospects at the location of the Johnny Mountain Gold Mine. In 1964, Cominco Ltd. optioned claims from Tuksi Mining Company and Jodi Explorations Ltd. and in 1965 completed drilling on the Red Bluff claim for its copper content. In 1973 and 1974 the property was examined by Texas Gulf Sulphur Inc. for its copper and base metal content. In 1980, Skyline re staked the claims and initiated exploration on the Pickaxe Vein and adjacent area to define its gold potential. In 1981, the Discovery Vein was discovered and subsequent drilling was completed. In 1982 Skyline continued drilling the Discovery Vein and other targets resulting in the discovery of a high-grade gold vein that became known as the I6 Vein.

In late 1982, Skyline entered into an agreement with Placer Development Ltd. to explore the property. Placer in turn entered into a joint venture with Anaconda Canada Exploration Ltd. and the joint venture completed exploration during 1983 and 1984. In late 1984, Skyline completed deep drilling on the 16 Vein and established depth continuity to this gold bearing quartz sulphide vein. From 1985 to 1988 Skyline continued with the surface and underground exploration and development on the several veins that comprise the Stonehouse Gold Deposit. On the Iskut Property the Johnny Mountain gold mine operated from November 1988 to August 1990 and for three months in the summer of 1993. A total of 227,247 tonnes were milled at an average of 12.4 g/t gold and 19.1 g/t silver recoverable grade. A total of 90,517 ounces of gold, 19,818 ounces of silver and 2,222,477 pounds of copper was produced. The gold recovery averaged 86.4%. Operations were suspended due to declining gold grades at the end of September 1990. The mine was restarted in 1993 for three months resulting in the production of an additional 21,850 tonnes.

Androne Resources Ltd. (later Pezgold Resources Ltd.) optioned claims to the south of the mine from Skyline (Burnie and Dan claims) and performed exploration programs in 1987 and 1988. Work comprised geochemistry, prospecting, trenching and geologic mapping. A number of anomalous areas in gold were discovered.

Additionally, Skyline completed large geochemical, geophysical and prospecting programs during 1988, 1989 and 1990 between the Johnny Mountain mine and the then northern and northeastern portion of the claims bordering the Snip Gold Mine. These programs resulted in reconnaissance diamond drilling of numerous promising gold targets as well as directed drilling of the Road Show gold vein in 1988, the Red Bluff copper, gold porphyry target (now the Bronson Slope copper-gold-silver-molybdenum Deposit) in 1988 and the C-3 shear hosted gold prospect in 1990. Several million dollars of flow through exploration funds were spent on these programs.

Skyline also completed exploration programs on behalf of Placer Dome Inc. in 1990 and 1991 on an optioned block of claims on the northeastern portion of the property known as the Bronson Creek Project. Placer was exploring for the southeastern extension of the formerly producing Snip Gold Mine that then adjoined the northern boundary of the Iskut Property. In excess of one million dollars was spent on geophysical, geochemical, trenching, prospecting, geologic mapping and diamond drilling programs.

During 1991, Adrian Resources Ltd. performed exploration work on the northwest portion of the claims under an earn-in option agreement. The work comprised geophysics, geochemistry, prospecting, geologic mapping, trenching and diamond drilling. Numerous targets were identified and the SMC Zone, thought to be a gold and base metal, shear hosted deposit, received the bulk of the drilling. Expenditures were reported to be 1.3 million dollars. At the same time, during 1990 and 1991, Skyline was performing prospecting, geologic mapping, trenching and drilling on shear hosted gold targets on the Burnie claims to the south of the Adrian work. This work was based on the earlier work by Androne/Pezgold and discovered numerous interesting targets.

In 1993, Skyline signed an exploration agreement with Cominco Ltd. in which Cominco performed exploration on a portion of the northeast area of the Property. Cominco's interest was in finding a deposit similar to the Snip Gold Mine. During the period 1993 to 1995, Cominco spent approximately $1.4 million on geologic mapping and diamond drilling.

A complete review of the Bronson Slope data was made by Burgoyne (1992) and on the basis of this evaluation, the recognition of a potential large porphyry copper-gold deposit was recognized and appropriate exploration recommendations, including diamond drilling, were made; these were subsequently followed out in 1993 through 1997.

Skyline performed a limited program of Induced Polarization and diamond drilling on the Bronson Slope copper-gold-silver- molybdenum porphyry Deposit in 1993. This led to an extensive program of advanced exploration including drilling (14,822 metres over 77 holes) and engineering studies during the period 1994 to 1997. It is estimated that in the order of $3.5 million 2006 dollars was spent in the period of 1988 through 1997 on drilling, geology, and other exploration surveys. It is estimated that an equivalent amount was also spent on development and engineering studies from 1996 and 1997 (Yeager 2006).

In 1999, Skyline reached an agreement with Homestake Canada Inc. whereby Skyline was given controlled access to the Snip Mine workings to perform underground exploration on an area of Skyline's ground immediately adjacent to the Snip workings. Homestake would act as mining and drilling contractor to Skyline to perform the work, and a revenue sharing agreement was agreed upon should Homestake elect to participate in the mining and milling of any ore developed on the claim. Homestake retained a production royalty on the ground from an earlier agreement. Financing for the work was provided by Royal Gold, Inc. of Denver Colorado in exchange for a royalty on any gold produced from the Property. The cost of the program was $300,000. The program consisted of an underground drifting program of 200.4 metres and 19 drill holes over 1494.5 metres on exploring extensions to the Snip Gold Mine shear veins.

In the period of 1999 to 2011 Skyline's activities involved a number of small reclamation programs, as well as, examination of the tailings at the Johnny Mountain Gold Mine for gold content and recoverability.

On the Bronson Slope Cu-Au-Ag-Mo porphyry Deposit a total of 19,320 metres of drilling over 92 diamond drill core holes were drilled in 1965, 1984, 1988, 1993 through 1997, and 2006 and 2007. This drilling has defined the current resource that is detailed in **Item 17**. In the period of 2006 to 2007 Skyline completed 4498 metres of drilling over 15 holes on the Bronson Slope Deposit and three separate NI 43-101 Technical Reports. A current resource for the Bronson Slope Deposit is reported in a 2008 Technical Report. In 2009 Skyline completed a Preliminary Economic Assessment on Bronson Slope and re-sampled 5923 metres of drill core and analyzed its magnetite content. In 2010 two separate NI 43-101 Technical Reports defining the magnetite resource and a second Preliminary Economic Assessment Report, respectively, on Bronson Slope Deposit were completed. This work is further discussed in **Item 10**, Drilling; **Item 14**, Mineral Resource; and **Item 24,** Other Relevant Data and Information. **Appendix A** covers all drill hole data and results for the Bronson Slope Deposit.

During 2005 through 2009 Spirit Bear Minerals Ltd. had an option to acquire a 70% interest from Skyline Gold Corporation on the original 6400 Ha of the Iskut Property but terminated the option in 2009. This option, however, excluded the Bronson Slope Deposit. Exploration work by Spirit Bear Minerals comprised re-sampling of trenches at the SMC showing in the northern part of the property in 2005, and in 2006 a Helicopter-Borne AeroTEM II Electromagnetic & Magnetometer survey by Aeroquest Limited over all but its extreme southern part, augmented by a 2,350 sample MMI soil survey, geological mapping, and rock sampling. The cost of these programs was $400,000 and the results of the MMI soil survey, geological mapping, and rock sampling were used to identify drill targets for 2007. A priority exploration target was the projected extension onto the Property of the moderately and southwesterly-dipping biotite altered shear/vein system hosting the Snip gold-silver deposit. A five-hole 3,139 m drill program was carried out in 2007 at a cost of $1.7 million. Two holes directed at the deep Snip Structure did not achieve their target owing to technical problems, including pronounced clockwise deviation of the holes. Nevertheless, hole SB-07-02 passed through a structural domain boundary into intensely biotite-altered wackes similar to those encountered in the hanging wall of the Snip Deposit itself.

Commencing in late 2008 Skyline began acquisition of adjacent mineral properties, prospects and deposits through purchase/option agreements and staking. Those acquired through purchase agreements included:

- Snip-1 claim of 441 Ha from St. Andrews Goldfields Ltd., located southeast of the Bronson Slope Deposit, in December 2008.
- Chopin I, II, Handel, and Raven claims, located east of the Bronson Slope Deposit, in November 2009.
- Bug 1, 2, 3, Wartah 7, Phiz 1, and Snip North claims from Newcastle Minerals Ltd., of 2250 Ha in June 2010.

- The very large claim block called Inel property from St. Andrew Goldfields Ltd. of 8775 Ha in November 2010 that now comprise the southern and eastern parts of the Iskut property.
- The Iskut Joint Venture (Golden Band Resources Inc., American Bonanza Gold Corp.) claims totaling 4250 Ha, located on the southeast corner of the current Iskut Property, in June 2011

During 2009 and 2010 Skyline completed exploration and 3863.67 metres of drilling over 20 holes on the Snip-1 claim southeast of the Bronson Slope deposit in the Snip-Bronson Trend and this work is covered in **Item 10**. Limited Trenching was also completed in 2010.

During 2011 Skyline continued an aggressive exploration program of geological mapping, hand trenching and sampling, geochemical soil/rock sampling, extensive airborne magnetic and electromagnetic surveys, down hole geophysics, and geochemical soil and exploration compilation on the Property. Three drill holes totaling 1812 metres were drilled on the Snip-Bronson Trend on different exploration targets in the search for high-grade gold vein style mineralization. The most promising exploration targets for 2012 are the combined electromagnetic conductors and anomalous gold soil geochemistry on Johnny Flats and several targets within the northwest-southeast Snip-Bronson Trend including the Bonanza and Stairways vein structures. On the west side of the Property the northwest-southeast Burnie Trend, defined by historical positive trenching results for gold, and recent airborne electromagnetic conductors is considered a high priority exploration target. These targets are covered in **Items 7, 9** and **10.**

6.2 Gorge and Gregor Targets

The area under discussion was explored by the Iskut JV, of Golden Band Resources Inc. and American Bonanza Gold Corp. and others, in the period of 1982 to 1996. Most of the ground explored is located on the northwest part of the Iskut Property and largely north of the Iskut River. The following description of the history is taken from Robertson (1992).

The earliest claims were staked by the Iskut Mining Company in 1906 and some work was done on them almost every year until 1930. During 1929 claims were staked by the Consolidated Mining and Smelting Company in a belt practically surrounding those of the Iskut Mining Company. The property of the Iskut Mining Company has been mentioned in various reports of the Minister of Mines for British Columbia from 1911 to 1933.

In 1964, the project area was staked by Iskut Silver Mining Ltd during their search for porphyry copper deposits. This company undertook prospecting, trenching, geochemical and geophysical surveys and drilling (4 holes, 69 m) during 1965 and 1966. In 1970, the property was optioned to the Cerro Mining Company Ltd. who did prospecting, geological mapping and geochemical sampling. The option was then dropped and picked up by Amax Potash Limited the following year. Work included soil, silt and water sampling as well as geological mapping. These claims were eventually dropped.

In 1982, the present Iskut Joint Venture property was staked by the Alpha Syndicate. The Syndicate optioned the property to the Apex Energy Corp. who did 21.2 km of line cutting, geological mapping (1:10,000) and collected 475 soil, 36 rock and 44 silt samples for multi-element analysis. The option was subsequently dropped. In 1986 the property was acquired by Delaware Resources Corp., who did geological mapping, collected 287 soil, 51 silt and 12 rock samples and completed analyses for gold and silver analysis. The following year, Prime Resources Corporation (nee Delaware Resources Corp.) optioned the Property to American Ore Ltd and Golden Band Resources Inc.

During 1987, Taiga Consultants Ltd performed geochemical surveys on four grids and reconnaissance-style contour soil sampling in selected areas of the property. Geological mapping and prospecting was carried out in conjunction with these surveys. A total of 3250 soils, 153 silts and 804 rock samples were collected and analyzed for gold and silver. In addition, 78 heavy mineral samples were collected and analyzed for gold, silver, copper, lead and zinc. The soil survey outlined a number of areas which were anomalous in gold and silver, especially on the Southwest Grid, the West grid and north of the East grid. Five trenches and eight drill holes (956 metres of BQ core) tested the gold-in-soil anomalies on the southern part of the West ("Hemlo West") grid. A total of 945 core samples were collected and analyzed for gold, silver, copper, lead and zinc. All of the drill holes reported elevated gold values with the best intercept being 3960 ppb gold and 21.40 ppm silver over a 2.0 m core length in DDH JV87-05.

During 1988, Prime engaged Keewatin Engineering Inc., to perform geological, geochemical and geophysical surveys, concentrating on the Gorge and Gregor areas. A 325 line-km airborne Aerodat VLF-EM and Magnetic survey was flown over the property during the spring. A total of 1809 soil samples and 490 rock samples were collected and analyzed for gold, silver and copper. Geological mapping and prospecting were carried out during the course of the geochemical survey. The discovery of the auriferous Gorge and Gregor showings led to more detailed geochemical sampling and mapping. An eight line-km VLF-EM and MAG survey was completed over an east-west grid in the Gregor area and a trench was excavated on the Gregor showing. Hydraulic sluicing was performed at the Gorge showing. Drilling, totaling 1,759.5 metres in ten holes was done in both showings' areas. A total of 945 core samples were split and analyzed for gold and silver (with some copper). During the fall of 1988 a legal survey of Meridor Resources' west boundary was completed and the common legal corner post of their Iskut 1and 2 claims was located with respect to various bench marks on the Snip property.

During 1989, Keewatin conducted geological and geochemical surveys on the western side of the property. The Gorge and Gregor showings' area was designated as the focus of the two phase program. Grid establishment, "infill" soil sampling, surveying, prospecting and geological mapping were completed in the target area. Previously obtained gold-in-soil anomalies and mineral occurrences were also investigated. Re-interpretations of the known showings led to further sampling, prospecting, geophysical surveys and trenching. Preliminary, follow-up prospecting and geological surveys were carried out in the "Hemlo West "and "Mount Verrett "areas during the latter part of the first phase of exploration. The 1989 work included 2.088 line km of Max-Min and MAG, 2.423 km of VLFEM and MAG, 6.27 km line cutting, 13.53 km grid establishment, 2.06 km of surveying and the investigation of more than 53 gold-in-soil anomalies. A total of 673 soil, 397 chip/grab and 1336 core samples were collected. Field personnel blasted, mapped and sampled a trench in order to test a re-interpretation of the Gregor area mineralization. The trench excavated across the 480 x 10 to 90m wide, west-southwest trending gold-in-soil anomaly in the Gregor area revealed an erratically oriented gold-bearing andesitic tuff breccia unit. Chip sample results from this unit averaged 4.29 g/t gold over 7.0 metres, which included 12.89 g/t gold across 1.0 metre.

During October and November of 1989, drilling of the Gorge/Gorge South area was completed. This program consisted of ten drill holes (1,704.7 m) which tested several targets including geophysical and geochemical gold anomalies and possible on strike/down dip extensions of the Gorge mineralization. The drilling led to the discovery of gold mineralization, some 300 metres west-southwest of the Gorge showing, which was named the RPX zone. Drilling of the RPX zone indicated that the intercepts of up to 14.40 g/t gold over a core length of 3.25 metres are hosted by apparent east-west trending shear structures in altered meta sediments.

The 1990 field program consisted of two phases of exploration and prior to the field work, a re-interpretation of the 1988 airborne VLF-EM and MAG surveys. During June and early July, Keewatin carried out drilling in the Gorge, RPX and Gregor areas, which consisted of ten diamond drill holes (1,676.1 m). One of the holes attempted to test, at depth, below drill hole I89-1 gold intercepts from the Gorge Showing area. Results confirmed the inconsistency of extent and grade of mineralization related to the Gorge showing. Four holes were drilled to test possible along strike/down dip extensions of the RPX mineralization with similar results. Another two holes were drilled between the Gorge and RPX areas in order to probe for possible blind mineralization related to the Gorge Creek structure. The remaining three holes were drilled in the Gregor area to test the gold-bearing tuff encountered in the 1989 trench. Results indicate a thinning of the host tuff horizon to the west of drill hole I90-10. In October, Keewatin field personnel carried out geochemical, geological and prospecting surveys on the western portion of the southwest grid. A new baseline was cut and seven cross-lines and a tie-line were established for control as most of the previously established grids were found to be inaccurately located. The crews also attempted to complete follow-up work on previously obtained gold/copper-in-soil anomalies, chasing alkaline porphyry copper-gold mineralization. During late October and early November, a second phase of diamond drilling was carried out in the Gregor area consisting of four holes (289.25m) testing the gold-bearing tuff breccia encountered in hole I90-10, both along strike and down dip. All of the drill core was split/cut and sent for analysis. The remaining core has been stacked or stored in core racks at Keewatins' Bronson Creek camp site.

During 1991 Corona performed 80 man-days of field work, investigating 15 of 18 identified targets, primarily investigating the source of previously recognized gold +/- copper in soils anomalies on the Southwest and East Grids. 124 rock, 86 soil, 24 moss mat, 10 silt and 6 whole rock samples were collected. A 1.6 kilometre HLEM, VLF-EM, & Magnetic orientation survey was conducted over the Gregor Showing.

During 1996 four drill holes over 952.4 metres were completed over the Gorge showing.

During 2011 and early 2012 Skyline has compiled available drill hole results for the historical drilling and this is discussed in **Item 10**. Skyline also completed limited trenching and sampling in 2011. **Appendix B** covers all drill hole data and compilation results that Skyline has put together for the Gorge and Gregor gold prospects.

6.3 Snip North, Phiz, & Bug Lake Targets Acquired From Newcastle Minerals Ltd.

Snip North

The Snip North exploration target is located about 1.3 km southwest of the Gorge Showing, just north of the Iskut River, and in the northwest corner of the Iskut Property. Much of the below history has been taken from Burgoyne (2008, 2009).

1964-1971

In 1964 and 1965, the area of the Snip North claim, was owned by Iskut Silver Mines as the Ray and Joann claims. Exploration was carried out reportedly in 1965 (Dupre 2007), 1966 (Wesemann 1966), 1970 (Mustard 1971), (Wesemann 1971) and 1971 (Allen 1971). These claims covered a silt geochemical anomaly and the work done included prospecting, soil, silt, and rock geochemistry, ground magnetic surveys, and hand trenching and sampling. A substantial amount of soil, rock and silt geochemistry was done and several large-area, medium to high magnitude soil anomalies, for copper and molybdenum were defined. The focus of the exploration was on anomalous copper, lead, zinc, molybdenum, and silver.

1987-1989

In 1980, Meridor Resources Ltd. staked the present day Snip North Property as the Iskut 1 and Iskut 2 claims. Meridor did not commence any fieldwork until 1987 when they (Dandy, 1988) conducted a program of line cutting, geochemical (soil, silt, rock and heavy minerals) and geophysical, (ground and airborne) surveys. A breakdown of this work program is presented below:

- 11 line-kilometres of grid establishment with cross lines at 100m to 300 m intervals
- 386 soil samples were collected at 25 m intervals along the grid
- 27 rock samples were collected
- 16 stream sediment samples were taken
- 5.7 line-kilometres of VLF-EM 16 survey was done
- Two airborne geophysical (magnetometer and electro magnetometer) surveys were done

The Meridor soil-sampling program was instigated to follow up a soil anomaly delineated by Delaware Resources Ltd. on claims adjacent to the west. Meridor's 1987 soil sampling picked up the continuation of Delaware's soil anomaly. Near coincident gold-copper-molybdenum-silver soil anomalies occur on the south part of the Snip North property, in part parallel and 125-250 meters north of the Iskut River. These soil anomalies have a semi-continuous trend generally east-west for 1500-2000 meters and are from 75 to 250 meters wide. The Iskut gold-copper-molybdenum porphyry deposit, as discussed below is defined by these soil anomalies.

The airborne magnetometer survey showed three areas of higher magnetic response. The most significant of these is a large ovoid feature in the south-central part of the claim. Dupre (2007) reports the 2006 drilling program confirms that this anomaly is related to magnetite, which occurs as disseminations and veinlets. There appears to be a general correlation between magnetite content and copper/gold values.

Meridor did a large program of diamond drilling that entailed in the order of 58 holes in 1988 and 23 holes in 1989 as per drill hole traces obtained from a Compilation Map published in Robertson (1992). The depths of the drill holes are not known and assay results are only available for composite intervals that were published in the George Cross Newsletters. Most of the 1989 drilling and a portion of the 1988 drilling were focussed on the northwest part of the Snip North property in the vicinity of the Gorge Showing. The first 25 hole locations in UTM coordinates need to be confirmed. Results are available for certain holes as reported in **APPENDIX C.**

2006 - 2008

During 2006 Newcastle Minerals completed a five-hole, 1047.9-meter NQ sized core drilling program. This was followed in 2007 by a review of historical data, compilation of historical drilling, limited geological mapping and rock sampling, and a six-hole 1158.8-meter NQ sized core-drilling program. The total 2006 exploration program expenditures were $439,316 and the 2007 exploration program expenditures to January 31, 2008 were $490,543. The drilling confirmed a porphyry copper-gold-molybdenum deposit, called Iskut, which returned significant gold-copper-molybdenum values over substantial intercept lengths. Drilling, to date, has defined the Iskut porphyry gold-copper-molybdenum system in the order of 600 meters long and 200 to 300 meters wide. This deposit is located adjacent and on the north side of the Iskut River and parallels the river where defined. Four drill hole sections over an approximate strike distance of 600 meters define the deposit. Eight 2007 and 2006 drill holes and four historical drill holes define the geometry and grade of the deposit. The historical holes are illustrated but their grades have not been used in estimating the potential quantity and grade. Using dimensions of 500 to 600 meters in strike length, a width of 225 meters and a depth of 175 meters along with a specific gravity of 2.90 yields a potential quantity of 57.1 to 68.5 million tonnes. The grade varies from 0.3 to 0.6-g/t gold, 0.09 to 0.17% copper and 0.003 to 0.023 % molybdenum. **This estimate of quantity and grade is conceptual in nature and there has been insufficient exploration and drilling to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource.**

The Iskut Deposit Diamond Drill Hole Data and Significant 2006 & 2007 Drill Hole Intercepts are given in **APPENDIX C.**

During 2008 Newcastle Minerals spent approximately $125,000 in completion of 11 line-km of line placement and 9.85 line km of ground geophysics consisting of magnetic, chargeability, and resistivity surveys. The induced polarization surveys defined the “Iskut” deposit and indicated that the deposit is open to the west, north and to depth

Phiz

The Phiz exploration target and block of claims is located at the northwest edge of Skyline’s Iskut Property. The following description of historical exploration is taken from Cohoon and Trebilcock (2004). Previous work on the property, the majority of which was carried out between 1987 and 1991, included line cutting, geology, soil geochemistry, trenching, geophysics and drilling as summarized in the following sections. Note that previous work on what is now the Phiz Property was all carried out on older claims which were known as Rob 13 and Rob 14. Both claims subsequently expired.

In 1987 reported work consisted of an initial geological survey, 21 rock chip samples and collection of 188 soil samples.

Work in 1988 included line cutting with pickets at 25-metre spacing on lines spaced 50 to 100 metres apart over portions of the claims, geological mapping at a scale of 1:2500, soil geochemistry over showings identified from mapping, trenching on the Phiz and Trapper showings, and 15 diamond drill holes which targeted the Phiz and Trapper showings

Exploration carried out during 1989 included:

- Soil sampling at 25-metre intervals on the previously cut lines from approximately line 13 south to line 24 south (relative to the "north-south grid"). A total of 738 soil samples were collected and analyzed for gold plus 10 element ICP.
- EM 16 (VLF) survey over portions of the previously cut lines
- Magnetometer survey over portions of the previously cut lines.

Work carried out during early 1991 included drilling of 25 diamond drill holes (including at least two holes drilled immediately north of the claims). The focus of this diamond drilling was the potential for base metal mineralization similar to that which had been located on the adjacent Rock and Roll property to the west.

A separate file contained hardcopy printouts, labeled Prime Resources Group Inc. Drill Hole Assays 1990 Phase 1 of assays from the 25 holes. This set of data indicates that all of the holes were sampled at one metre intervals and assayed systematically for gold and silver. The highest gold and silver assays recorded in this set of data were 2.6 g/t gold and 14.4 g/t silver. Copper lead and zinc assays are recorded for three samples in hole PH91-15 and fourteen samples in hole PH91-24. The highest values recorded were 0.08% copper, 0.02% zinc although the provenance and validity of this data is uncertain. A map illustrating the location of the historical drilling is given in Cohoon and Trebilcock (2004) although the orientation, dip, length and drill hole assay are not reported.

In 2004 a total of 675 soil samples (including standards and duplicates) were collected on the Phiz Property for analysis by Mobile Metal Ion methods by ALS Chemex in Vancouver, BC. The multi element analyses included gold, silver, copper, lead, and zinc. The survey indicated multi element, low order coinciding soil anomalies and further follow up work was recommended.

6.4 Bug Lake

The Bug Lake exploration targets are located east of the Bronson airstrip in the northern part of the Iskut Property. Known vein mineralization is found over a west-east distance of about 4 km. The following summary of exploration history is taken from Burgoyne and Burgert (2009)

1987, 1988, 1990, & 1996

Skyline Explorations Ltd first staked the Bug Lake property area in 1982. In 1983, a Skyline-Placer Development joint venture contracted an airborne electromagnetic and magnetic survey (Piroscho, 1996) over the claim area. Skyline then optioned the property to Gulf International Minerals Ltd. in 1984; they carried out field programs, which included line cutting, trenching, soil sampling and prospecting. Additional line cutting, trenching, and a Pulse-EM survey were completed during 1985 (Candy and White, 1985). This option was subsequently dropped.

In 1987 and 1988, Skyline (Caulfield, 1987, 1988) optioned the Waratah Property to Tungco Resources Corp., which is approximately coincident with the current Bug Lake property. Tungco conducted line cutting, geochemical, and geophysical surveys, prospecting, trenching and diamond drilling. This work is summarized below**.** A total of 3545.6 meters of drilling over 50 drill holes on five separate showings was completed in 1987 and 1988. Seventeen gold occurrences were discovered during this program, most of which were investigated by trenching and/or drilling. An Aerodat airborne VLF-EM and magnetic survey was flown over the property during the spring of 1988.

In 1990, Keewatin Engineering (Pegg, 1991) was commissioned to explore the previous Waratah 7 claim and the eastern side of the Bug 3 claim. This work was done for Big M Resources Ltd. as part of an option agreement with Royal Bay Gold Corp., formerly Tungco Resources Corp., and the pre-cursor to Featherstone Resources and Newcastle Minerals. The work included geological, geochemical and prospecting surveys, as well as, a trenching and diamond drilling program totalling 540 meters in 7 drill holes over the Cooper Zone, which is 2.4 kilometres southeast of the River Showing.

During 1996, Royal Bay Gold Corp. and Maple Mark International Inc. conducted work over portions of the Waratah 7 claim. The objective (Piroscho, 1996) was to evaluate the Cooper Zone and the area southeast of the Cooper Zone.

A compilation of the historical exploration is given below in **Table 6-1**.

TABLE 6-1
BUG LAKE HISTORICAL EXPLORATION

YEAR	ROCK* #	SOIL #	SILT #	GEOLOGICAL MAPPING	VLF-EM	MAX-MIN EM	MAGNETICS
1987	166	1264	4	Bug 1, 2, 3	33.4 km	4.4 km	29.4 km
1988	238	761		Bug 1, 2, 3	16.3 km		16.3 km
1990	236	1427	4	Bug 3, Waratah 7			
1996				Waratah 7	4.5		4.5
2002	47	125					
2008	37	33					

*Excludes Trench Samples

The property has been covered by extensive geochemical soil and geophysical ground magnetic and VLF-EM surveys. Many geochemical soil anomalies remain to be evaluated, although several of the anomalies have defined gold and base metal mineralization, and both Pegg (1991) and Caulfield (1987, 1988) define the anomalous targets that are not explained or not evaluated. Pegg (1991) gives a good synopsis of the non-evaluated airborne magnetic and VLF-EM anomalies. Ground VLF-EM surveys have been marginally useful in defining gold and base metal mineralization as the structures containing the vein mineralization can be defined.

A compilation of historical drilling and trenching is presented below in **Table 6-2**. The estimated location of historical diamond drill hole data (1987, 1988, 1990) and drill hole results are given in **Appendix D.** Drill core for the different program years is stored on the north side of Bug Lake near an old campsite. Most of the core is not useable, as the drill racks have collapsed.

TABLE 6-2
HISTORICAL TRENCHING & DRILLING 1987-1996 ON BUG LAKE PROPERTY
(Modified from Moore & Travis 2003)

		1987		1988		1990		1996		
Showing		**Trenches**	**Drilling**	**Trenches**	**Drilling**	**Trenches**	**Drilling**	**Trenches & #**		**Drilling**
	#									
Golden Arrow	1	3(T19-T21)							3	
River Vein	2									
No. 11	3					1(T35)			1	
Swamp Vein	4	2(T7-8)	6 holes 251.5 m						2	6 holes 251.5 m
X-Cut Vein	5	3(T13-T15)							3	
Bluff Vein	6	5 (T2-T6)	11 holes 420.7 m		8 holes 675.1 m				5	19 holes 1095.8 m
L Helipad Vein	7	1(T11)							1	
U Helipad Vein	7	1(T12)							1	
Mag Vein	8	3(T16-T18)							3	
No. 7 Vein	9	2(T9-T10)	7 holes 366.3 m		8 holes 797.6 m				2	15 holes 1163.9 m
Lake	10	1(T-1)							1	
Badger	11			3(T30-T32)					3	
No. 9	12			2(T33-T34)					2	
E Gold Bug	13			1(T36)					1	
Gold Bug	14	2(T22-T23)		3(T24-T26)	8 holes 807.6 m				5	8 holes 807.6 m
Boot Hill	15			5(T27-T28) (T37-T39)	2 holes 226.8 m				5	2 holes 226.8 m
Flare Zone	16			1(T29)					1	
Cooper Zone	17			3(T36-T38)		3(L,M,U)	7 holes 539.8 m	7(T96-1-T96-7)	13	7 holes 539.8 m
Total									**49**	**57 holes** **4085.4 m**

2002 & 2008

During September 2002 Newcastle commissioned geochemical rock and soil and prospecting surveys on the Bug 1, 2, and 3 claims. In the order of 47 rock samples and 125 soil samples were taken mostly over known historical showings. This work is discussed in detail in Moore and Travis (2003) and for exact locations of the samples and results; this report should be referred to.

During 2008 exploration surveys included 33 soil samples and 37 rock samples largely to meet assessment requirements.

2011

Skyline has undertaken extensive compilation of past exploration and has completed trenching and rock sampling. These results are described in **Item 9.**

6.4 Inel, Khyber Pass, Pyramid Hill, GIM Exploration Targets

Inel Target

The Inel prospect is located in the south-central part of the Iskut Property. The discovery of' showings on the 'INEL' claims was recorded in 1965 by Cominco prospectors who had traced mineralized float up Bronson Creek to the source. The Inel was originally staked by R. Gifford in 1969 and optioned to Skyline Explorations Ltd. Texas Gulf Inc. optioned the property from 1972 ~ 1974 and completed geological and geophysical surveys, trenching and sampling. The option was dropped in 1975 and little work was done until 1980. Skyline resumed exploration at Inel in 1980.

Inel Resources Ltd. was incorporated in 1987 and acquired ownership of the Inel claims. In 1989 Inel Resources and Gulf International Minerals Ltd. amalgamated. A summary of recent work at Inel as taken from Weeks (2001) is as follows:

TABLE 6-3
INEL HISTORICAL EXPLORATION

YEAR	WORK COMPLETED	COMPANY
1980	Trenching, " sampling, mapping	Skyline Exploration Ltd.
1981	Trenching, " sampling, mapping	Skyline Exploration Ltd.
1982	Prospecting	Skyline Exploration Ltd.
1983	Airborne geophysics ~ Discovery Zone: sampling	Skyline Exploration Ltd.
1984	Discovery Zone: 22 drill holes (1630 m)	Skyline Exploration Ltd.
1985	Mapping, trenching, geochemistry	Skyline Exploration Ltd.
1986	No work	
1987	Discovery Zone: underground development (183 m)	Inel Resources Ltd.
1988	Discovery Zone: underground development (570 m), 54 drill holes (4258 m) - AK Zone discovery	Inel Resources Ltd.
1989	Discovery Zone: underground drifting (120 m), 46 drill holes (5454 m); AK Zone: 31 holes (3060 m)	Gulf International Minerals Ltd.
1990	AK Zone: underground drifting (367 m , 23 drill holes (2360 m)	Gulf International Minerals Ltd.
1991	Mapping, road construction, AK Zone: underground Sampling, trenching, 1 drill hole (33 m); Discovery Zone: underground sampling	Gulf International Minerals Ltd.
2000	Geological mapping & prospecting	Gulf International Minerals Ltd.

In the Discovery zone the gold-bearing, zinc-rich mineralization (native gold occurs in fractures within the sphalerite) is found along and near the basalt/sediment contacts and within the sediments. The Main Sulphide Zone mineralization includes stratabound sulphides, remobilized vein sulphides and disseminated gold in massive injection breccia dykes.

In 1988, the AK zone was discovered and drilled from surface in 1989. The zone is 600 metres north of the Discovery Zone. The AK Zone contains an intrusive breccia dyke that is accompanied by and contains clasts of a megacrystic syenite dyke. Mineralization consists of gold in association with pyrite, sphalerite, galena, chalcopyrite and arsenopyrite and is hosted by a syenitic intrusive breccia.

The 1991 assessment report (Jaramillo and Gifford, 1991) states that from underground diamond drilling a preliminary reserve [resource ?] of 317,485 tonnes grading 0.1% Cu, 0.1% Pb, 2.6% Zn, 0.39 oz/ton Ag and 0.102 oz/ton Au for lens No. 1 in the Discovery Zone. Other parallel lenses are known and remain to be examined**. This resource remains to be confirmed and is considered historical in nature and cannot be relied upon. Skyline Gold is not treating this resource as a current resource.**

Khyber Pass and Pyramid Hill Targets

The Khyber Pass target is located about one kilometre south of the Inel. The Pyramid Hill target is, in turn, located about 1.5 kilometres south of Khyber Pass.

Recorded exploration commenced in 1983 when Lonestar Resources Ltd. carried out reconnaissance geological mapping and geochemical sediment sampling. The claims were staked by Chris Graf and optioned in 1985 to Brinco Mining Ltd. In 1986 the claims were transferred to Western Canadian Mining Corporation.

In 1985 Brinco Mining completed (Petersen et al, 1985) surveying, geological mapping, and extensive trenching to collect 502 chip and 52 grab samples followed by 5 diamond drill holes for a total length of 232 metres.

In 1986 418 geochemical samples were collected including 310 soil/talus, 12 silt and 96 rock samples along with some geological mapping.

In 1987 a comprehensive exploration program, including geological mapping, extensive rock and soil sampling and 2219 metres of diamond drilling over 18 holes (Western Canadian, 1988). The most significant target, the Khyber Pass Gold Zone that trends north-south, contains several parallel gold-bearing massive sulphide zones associated with silver, copper and zinc. The zone is about 46 metres thick and the best sample width grades 3.4 g/t gold and 43.8 g/t silver over 13.02 metres. The Zone is open to the north.

The Pyramid Hill target is characterized by extensive skarn alteration and base-and precious-metal geochemical soil anomalies.

GIM Target

This exploration target is located on the northeast part of the Iskut Property about 2.8 km south of the Iskut River and 2.2 km west of Snippaker Creek.

The earliest recorded work on the property occurred in 1980 when DuPont of Canada Exploration Ltd. did a regional heavy mineral sampling program and staked the Zappa Claim to cover the area drained by Zappa Creek on which a heavy mineral sample carried 7,000 ppb of gold. Subsequent soil sampling in 1981, located an area of anomalous gold in soils, called the Cave Zone. DuPont
lost interest in the Iskut area and subsequently dropped the property.

In 1986, as a result of a general staking rush in the Iskut area the GIM Property was staked. It was sold to Gulf International Minerals Ltd who optioned it to Consolidated Kyle Resources Inc. who contracted with Pamicon Developments to complete reconnaissance mapping and soil sampling on the property from 1987 to 1989. They identified a northeasterly trending gold soil anomaly. Further contour sampling in various areas defined an area of anomalous gold geochemistry in the area of the Cave Zone.

During 1987 and 1988, Consolidated Kyle also participated in a regional airborne magnetic and electromagnetic survey conducted by Aerodat Limited.

In 1990, Consolidated Kyle contracted complete detailed trenching, soil geochemistry and geological mapping over the various anomalous areas located by previous programs. This program located the high-grade gold mineralization on the AJ Zone. In the Cave Zone about 250 m south of the Mineral Gulch Fault is the 537 showing. Here, a 2 metre thickness of disseminated pyrite and chalcopyrite assayed 9.77 g/t gold. Soils near the fault north of this showing run as high as 700 ppb gold.

Soils between the 537 showing in the Cave Zone and the discovery outcrop in the A-J Zone are anomalous in gold. The *555* outcrop is at the centre of the A-J Zone, about 300 metres south of the Cave Zone. The A-5 Zone, unlike the Cave Zone, coincides with an abrupt local magnetic anomaly. A composite chip sample of disseminated pyrite with chalcopyrite and traces of pyrrhotite in chloritic andesite taken from a 3 m width across the *555* outcrop assayed 50.95 g/t gold. Adjacent soils returning up to 6270 ppb gold and the distribution of mineralized outcrops and float boulders indicate that the A-J Zone is at least *50* m wide and 170 m) long. Like other mineralization in the area, the A-5 Zone mineralization is related to northeasterly striking faults. In 1991, as part of an extended property exam, Placer Dome resurveyed and cut 4.8 km of line on which they contracted Scott Geophysics to perform ground magnetic and VLF-EM surveys on the property. Over the three lines that covered the AJ Zone Time Domain IP was run

6.5 Historical Mineral Resource Estimate - Bronson Slope Deposit

The below base case historical mineral resource has been replaced by a current mineral resource for the Bronson Slope Deposit that is outlined in Item 14 and detailed in Burgoyne and Giroux (2008).

The base case historical mineral resource estimate for the Bronson Slope deposit is that completed by Giroux (1996b) and is detailed in Skyline's 43-101 Technical Report dated June 2006. Note **Table 6-4**. The Burgoyne (2006) reports detail the rationale and reasons for the definition of this historical resource estimate. Here Giroux used a block model and ordinary kriging to determine the resource. The base case estimate, at US $1.00 equivalent to C$1.33, a US $6 NSR (Net Smelter Return) cut-off, after using US $ 385 / ounce for gold, US $5.25 / ounce for silver, and US $1.10 / pound for copper and metal recoveries, smelter payments, refining charges, treatment charges and transportation is given below:

TABLE 6-4
BRONSON SLOPE HISTORICAL RESOURCE - BASE CASE (Giroux, 1996b)
Cut-Off US $ 6 NSR

Category	Tonnes	**Au g/t**	**Ag g/t**	**Cu %**
Measured	2,280,000	0.574	2.59	0.210
Indicated	65,000,000	0.527	2.46	0.195
Total Measured + Indicated	**67,280,000**	**0.528**	**2.46**	**0.196**
Inferred	24,300,000	0.454	2.23	0.199

The Giroux (1996b) historical resource base case, detailed in Burgoyne (2006), is the second of four historical estimates done by Giroux.

7.0 Geological Setting

7.1 Regional Geology

The Iskut River region is within the Intermontane Belt on the western margin of the Stikine Terrane. Three distinct stratigraphic elements are recognised in the western portion of the area (Anderson, 1989): (i) Upper Palaeozoic schists, argillites, coralline limestone and volcanic rocks of the Stikine Assemblage, (ii) Triassic Stuhini Group volcanic and sedimentary arc related strata, and (iii) Lower to Middle Jurassic Hazelton Group volcanic and sedimentary arc related strata. Note **Figure 7-1**.

Intrusive rocks in the Iskut River region comprise five plutonic suites. The Stikine plutonic suite comprises Late Triassic calc-alkaline intrusions, which are coeval with Stuhini Group strata. The Copper Mountain, Texas Creek and Three Sisters plutonic suites are variable in composition but are roughly coeval and co-spatial with Hazelton Group volcanic strata. Tertiary elements of the Coast Plutonic Complex are represented by predominantly granodiorite to monzonite Eocene intrusions of the Hyder plutonic suite, exposed 12 kilometres south of the Bronson Slope deposit (Alldrick et al., 1990).

Deformation in the area is complex, with local folding and penetrative deformation and many episodes of faulting associated with volcanic and intrusive activity.

7.2 Property Geology & Mineralization

Geology - Johnny Mountain & Snip-Bronson Trend

The description on property geology is taken largely from Rhys (1995a), Rhys (1995 b), Yeager (1998b) and Yeager (2003). Property geology is illustrated in **Figure 7-2** and obtained from Rhys (1995a).

A folded sequence of turbiditic feldspathic greywackes with subordinate inter-bedded siltstones, mudstones, volcanic conglomerate and rare, carbonate lenses is intruded by the Red Bluff porphyry. The greywackes are massive to crudely bedded. Individual graded beds may have sharp, scoured basal contacts and may contain siltstone or mudstone rip up clasts. The sequence is weakly to moderately metamorphosed (lower greenschist facies). Alteration ranges from weak to strong in the vicinity of mineral prospects. Pebble to cobble sized clasts of fine-grained and porphyritic mafic to felsic volcanic rocks are present in coarser beds, and coupled with the common presence of angular to sub rounded plagioclase grains in greywacke units, imply a proximal volcanic source. These rocks are probably lateral equivalents of Stuhini Group strata exposed on Snippaker Ridge 4 km southeast of Bronson Slope, which contain Upper Triassic fossils. Some of the rocks on the west part of the property could be part of the Upper Paleozoic Stikine Assemblage. These include schists and phyllites, and mylonite trending northwest through the Burnie Showing, and rocks west of this mylonite.

Early Jurassic felsic to intermediate volcanoclastic, pyroclastic and flow rocks that probably belong to the Lower Hazelton Group are exposed on Johnny Mountain. They are flat-lying to moderately tilted and unconformably overlie the greywacke sequence noted above. The sequences are separated by a flat lying to gently dipping regional unconformity exposed approximately one kilometer to the northeast of the Johnny Mountain Gold mine.

The Triassic strata on Johnny Mountain are folded into an anticlinal structure defined by tight, locally overturned, northwest-trending regional and parasitic folds. An adjacent syncline follows the Bronson Creek valley along strike from the Red Bluff porphyry. The folds are associated with a moderate to northeast-dipping axial planar phyllitic flattening fabric (S1). All of the structures, and the entire Triassic-Jurassic sequence were subject to a later deformation resulting in shallowly dipping to sub-horizontal foliation (S2). Abundant shallow-dipping extension veins cut the fabrics on Johnny Mountain. Moderate to steep northwest-dipping and southwest-dipping fault sets cut all other lithologies and structures in the area.

Triassic to Tertiary dykes and stocks intrude the Triassic and Jurassic rocks of Johnny Mountain. These include (i) a heterogeneous Late Triassic or Lower Jurassic medium-grained equigranular diorite stock (Bronson Stock), which lies north of the Snip Mine, (ii) the Early Jurassic (U-Pb zircon age of 195 +1 Ma) K-feldspar megacrystic Red Bluff porphyry, which lies east of the Snip Mine, and (iii) several small stocks, sills and dykes of unknown age and intermediate to mafic composition that intrude the western side of Johnny Mountain. This third group includes northeast-dipping K-feldspar megacrystic porphyry dykes (U-Pb zircon age determination of 194 +1 Ma) within Johnny Mountain Mine that are related to Au mineralization.

The hydrothermally altered Red Bluff (Bronson) porphyry stock intrudes the lower sequence. The stock is approximately 2.0 kilometers long, up to 0.3 kilometers wide and trends southeast along the southwest side of the Bronson Creek valley. Contacts of the stock with country rocks are not well defined, but where observed in drill core or underground workings are either faulted or intrusive. The southwest and northeast contacts appear to be southwesterly dipping. The Bronson stock is a heterogeneous, medium-grained equigrangular plagioclase + clinopyroxene +/- amphibole phyric diorite. The stock lies north of the former producing Snip Gold Mine. A poorly constrained Late Triassic U-Pb zircon age date of between 197 Ma and 225 Ma was obtained from a K feldspar + plagioclase phyric monzodiorite phase of this unit (Macdonald et al, 1992). Several small stocks, sills and dikes of unknown age and intermediate to mafic composition intrude the Bronson stock.

Lamprophyre dykes of probable Jurassic age have been mapped at numerous locations on the property and in addition lower Jurassic feldspar porphyry dykes and Tertiary intrusive stocks have been noted. Basalt dykes, possibly correlative with Recent volcanism, have also been observed.

To date, with the exception of the Red Bluff porphyry system, other mineral prospects on the property appear to be in veins or silicified shear zones. Most of the mineralized prospects conform to the following three shear directions:

- Northwest dipping shears ($060^O/70^O$ NW) – e.g., Stonehouse Gold Deposit, Johnny Mountain
- Southwest dipping shears ($120^O/45^O$ SW) - e.g., former mined Snip Gold Deposit, and,
- Northeast dipping shears ($130^O/45^O$ NE).

In the case of the Snip shear direction, which trends onto Bronson Slope, the shearing may be related to regional folds that vary in intensity from small open fold belts to anticline-syncline pairs that can result locally in overturned bedding. The axial plane cleavage developed in these folds has created weakness in the rock and these zones of weakness have created conditions favorable for shearing in a northwest-southeast direction. The adjacent Snip veins appear to be emplaced in a shear zone that has developed in the axial plane cleavage of an anticline inferred from Skyline mapping of the sedimentary rocks further south along the Bronson Creek valley. The Red Bluff porphyry may be emplaced parallel to the axial plane cleavage of the corresponding syncline lying just to the northeast of the Snip anticline.

Mineralization - Johnny Mountain & Snip-Bronson Trend

The **Snip** and **Johnny Mountain** gold mines and the **Inel** prospect are within the map-area. At the Johnny Mountain gold mine, ore is mainly in quartz-carbonate veins with green mica and some specular hematite that cut volcanic rocks. They carry pyrite and chalcopyrite with trace amounts of base metal sulphides. The Snip Deposit is within a sedimentary sequence. The mineralization is as veins in shear zones. Massive sulphide ore has pyrite>pyrrhotite and minor sphalerite; crackle quartz ore consists of shattered quartz veins in filled with green mica and chlorite and disseminated sulphides; and streaky quartz ore has quartz laminae in sheared and altered country rock. The Inel mineralization is hosted by a volcanic-sedimentary sequence. Mineralization occurs as sulphide and quartz-sulphide veins. Skarns occur along the border of the Lehto batholith east of Snippaker Creek. Sulphides are chalcopyrite and sphalerite with magnetite. Some contain precious metal values.

Precious and base metal veins within 2 or 3 km of the Red Bluff porphyry are zoned. Veins and shear-veins proximal to the intrusion, such as the Twin Zone (Snip Mine), are typically enriched in Au, Cu and Mo, and have potassic alteration envelopes dominated by biotite. Distal veins usually contain relatively abundant Zn and Pb and have sericitic envelopes. Structures of both types have an Early Jurassic galena Pb-Pb isotope signature.

The similarities in structural fabrics (Rhys, 1995b) and alteration histories in both the Twin Zone and the porphyry, zoning of the vein systems in the area, and apparently concordant Early Jurassic zircon U-Pb age from the porphyry and galena Pb-Pb dates from the Twin Zone and surrounding vein systems suggest that intrusion, semi-brittle deformation and a large mineralizing hydrothermal system were closely related temporally and genetically.

Disseminated sulphides that are known within large gossanous zones may be related to precious metal-bearing porphyry copper mineralization. The age, mineralogy and texture of the Red Bluff porphyry stock (associated with the Bronson Slope deposit), suggest that it belongs to the metallogenetically important Early Jurassic Texas Creek plutonic suite (Alldrick et al, 1990). Plutons of this suite are widespread in the Stewart, Iskut River region and range in age from 196 to 185 million years (Anderson, 1993; MacDonald et al., 1992).

Mineral prospects in the Johnny Mountain area appear to be in veins or silicified shear zones. Most of the mineralized prospects conform to the following three shear directions:

- Northwest dipping shears ($060^{O}/70^{O}$ NW) – e.g., Stonehouse Gold Deposit, (also known as the Johnny Mountain Mine)
- Southwest dipping shears ($120^{O}/45^{O}$ SW) - e.g., former mined Snip Gold Deposit, and,
- Northeast dipping shears ($130^{O}/45^{O}$ NE).

At the CE Contact prospect located 3 km southeast of the Snip Mine and 1500 metres southeast of the Bronson Slope Deposit, where drilling was concentrated in 2009 to 2011, the sedimentary rocks have been metasomatised and mineralized as part of a larger system that may be zoned around the Red Bluff porphyry (Rhys, 1995b). There is pervasive to localized potassic alteration characterized by pervasive potassium feldspar and disseminated to localized biotite in the CE Contact and CE zones. This tends to be associated with shears and faults, generally those striking southeast-northwest. There is a phyllic overprint on the potassic alteration, characterized by sericite and pyrite, and this is likely related to a strong phyllic alteration zone that lies southeast of the Red Bluff porphyry. Later, possibly retrograde, chlorite-calcite occurs between and surrounding zones of potassic and phyllic alteration. The chlorite-calcite replaces biotite locally and may be a late, retrograde phase of alteration

Bronson Slope Porphyry Deposit

The Red Bluff or Bronson Slope copper-gold-silver-molybdenum porphyry hydrothermal system is dominated by an intense quartz-magnetite-hematite stockwork that trends northwest along the northern slope of Johnny Mountain and the south side of Bronson Creek valley. The stock work overprints and is intimately associated with the Red Bluff porphyry intrusion. Mineralization and alteration in and adjacent to the Red Bluff porphyry system include:

- Quartz-magnetite-hematite veins are the earliest phase of veining in the Red Bluff porphyry system. They form an intense stock work that is spatially related to the Red Bluff porphyry.
- The quartz-Fe-oxide stock work and altered sediments on its southwest margin are overprinted by quartz-pyrite+/-chalcopyrite veins/alterations and pyrite + chalcopyrite veinlets that are associated with the highest gold and copper grades. Where quartz-pyrite assemblages overprint and sulphidize the quartz-Fe-oxide stock work there is a net loss of iron from the system. Veins are discrete, with sharp boundaries outside the stock work in greywacke, but have indistinct alteration boundaries with quartz-Fe-oxide veins within the stock work.
- The overall sequence from intense early Fe-oxide veining to less intense quartz-pyrite-chalcopyrite veins and finally to pyrite and carbonate stringers corresponds with a progressive decrease in the total amount and intensity of veining though time.
- A 25 to 50 metre wide zone known as the transition zone of K-feldspar + iron oxide alteration in greywacke occurs along the western upper periphery of the quartz-magnetite-hematite stock work and separates stock work from biotitic greywacke to the west. Calcite veinlets, common in the biotitic greywacke, become predominantly quartz veinlets in the transition zone.

The Red Bluff potassium feldspar porphyry is defined by an intense gossan and cliff zone. This in turn is surrounded by an intense phyllitic zone comprising quartz, sericite, and pyrite. To the southeast along the south side of Bronson Creek Valley this alteration grades into a propylitic zone of quartz, biotite, pyrite and chlorite contained within sandstone/siltstone/wacke sedimentary and dacitic volcanic units.

Snip-Bronson Trend & Johnny Flats

Snip vein-shear type mineralization extends for over three km to the southeast of Snip Mine and includes the CE, Bonanza, Stairway and Ladder Showings. The Cottonwood vein system is located just north of Bronson Creek. These showings contain lower gold grades (< 3 g/t gold) with untested room for developing significant sized zones of mineralization of better grade near surface.

The **Bonanza** structure has been defined over a 900 metre trend by surface trenching and limited drilling. The eastern extension of the Bonanza may be defined by the Stairway Creek and adjacent Ladder Creek gold veins. The distance between the Bonanza and Stairway Creek targets exceeds 2 km of favourable strike length. The limited drilling on Bonanza of 5 drill holes, and trenching, revealed gold values from 0.1 to 2.7 g/t gold over widths of 1.0 to 7.3 metres.

The **Stairway Creek** prospect consists of a massive quartz-pyrite vein from 0.5 to 1.0 metre thick in a silicified and sericite altered shear zone trending 120/90 degrees. Fragments of the siltstone wallrocks make up about 10% of the vein. Two separate trenches gave 1.38 g/t gold over 1.9 metres and 8.3 g/t gold , 192 g/t silver, and 0.26% copper over 1.0 metre.

At the **Ladder Creek** prospect, near to Stairway Creek prospect, 6.7 g/t over 2.5 metres is reported. Mineralization comprises a matrix supported quartz-pyrite siltstone breccia which is found in a vein-like structure trending 100 degrees and dipping 70 degrees north. The wall rocks are highly sheared and altered siltstone (sericite and silica) with a strong vein-parallel foliation.

The nearby **CE Contact** target contains a series of narrow, 0.1 to 0.6 m thick, but extensively stacked volcanogenic massive sulfide horizons comprising massive pyrrhotite, sphalerite, and gold-silver mineralization. This target was drilled extensively in 2009 and 2010. Note **Item 10.**

The **Cottonwood** is a 1 to 4 metre thick zone of pyrite, sphalerite, galena and gold mineralization in quartz veins and stringers cutting strongly altered chlorite banded dacite tuff. Five drill holes tested the Cottonwood structure of which the best intercept was11.1 g/t gold over 0.25 metres. Four remaining drill holes returned values well below 2.0 g/t gold over intervals of 0.3 to 2.35 metres.

The **Johnny Mountain Mine** gold veins lie within intermediate volcanic sediments including massive andesitic tuffs, volcanic conglomerate and subordinate greywacke and siltstone. The volcanic rocks are intruded by a series of northeasterly trending steeply dipping plagioclase + potassium-feldspar porphyry dykes that are up to 20 metres in thickness. Steep northwest dipping auriferous quartz-pyrite veins (25% pyrite) and related potassium feldspar alteration envelopes are superimposed on all of the lithologies described above, except basalt dykes. The veins are sub parallel to but slightly steeper than the north dipping porphyry units and where mined are typically 0.5 – 2.0 meters wide. The mine operated from 1988 to 1990 and for a short period in 1993. 227,247 tonnes of mineralization were milled with recovery of 2,815,393 grams gold (90,731 ounces), 4,348,814 grams silver (139,820 ounces) and 1 million kilograms of copper. This gives a recoverable grade of 12.39 g/t gold and 19.14 g/t silver.

The **C-3** target contains a 7.5 metre quartz and pyrite zone, defined by trenching, with anomalous gold values of 1.0 to 2.4 g/t gold that trends 023 degrees within a suspected fault zone. The zone dips vertically and is contained in altered mudstone/greywacke. Mineralization consists of quartz, k-feldspar, calcite, pyrite and chalcopyrite. One drill hole returned 20.57 g/t gold over 4.0 metres although extensive follow up drilling returned low gold values.

The **Mike** target is a massive pyrite vein containing chlorite, galena and chalcopyrite within a dacitic tuff. The vein trends 175 degrees and is vertical. A strong VLF conductor is coincidental with the vein. Ten drill holes have tested the structure with only low grade gold. One trench sample yielded 13.03 g/t gold over 1.1 metres.

The **C-1** target is a high priority area for continued exploration based on high gold values in rock and soil. The area is underlain by greywacke, siltstone and minor shale with quartz veins and stockworks containing pyrite, sphalerite and gold mineralization. Trenching gives 135.1 g/t gold over 0.2 m, 59.7 g/t gold over 0.25 m., 11.93 g/t gold over 0.15 m and 25.4 g/t gold over 0.3 m. One drill hole tested the structure in 1990 and returned low grade gold values.

The **McFadden Gold Float Zone** is an exceptional geochemical and float anomaly that has been
explored by others but the source of which remains undiscovered (Richards, 2005). The float zone consists of a lateral moraine along the west side of Johnny Glacier containing a significant portion of highly altered and mineralized material which is noticeably limonite stained. The unmineralized portion of the moraine consists of volcanic material of the Lower Jurassic Hazelton Group like that exposed on adjacent hillsides. All of the altered and mineralized material in the zone apparently carries gold mineralization in significant amounts. Massive sulfide mineralization makes up a significant portion of the altered mineralized portion. Mineralization is pyrite with minor chalcopyrite plus traces of galena and sphalerite. The float zone occurs on the upslope and up-ice end of an intense >500 ppb gold in soil anomaly that extends for about one km to the northwest. This strong gold in soil anomaly is encompassed within a much larger multi-element (Au,Ag,Pb,Zn,Cu,As) soil anomaly that extends from the leading edges of Camp and Johnny Glaciers down slope across the surface traces of Johnny Mountain Mine veins to the base of slope. Source of the gold-bearing float is considered to be a gold shear-vein system buried beneath Johnny Glacier and till. Such a vein system could project under adjacent hillsides where dacites, rhyolites, andesites and sediments of Hazelton Group have been mapped. Attitude of such a vein system could be northeasterly parallel to the Johnny Mountain Mine veins or northwesterly parallel to the Snip Mine shear. This target could be concealed within the Hazelton Group section of rocks exposed on both sides of Johnny Glacier. Local Lower Jurassic stratigraphy comprised of lower dacite unit, middle rhyolite unit and overlying andesite unit is remarkably similar to that at Eskay Creek of footwall dacite, middle rhyolite unit with a contact unit of rhyolite-mudstone, and hangingwall andesite.

On the west side of the Property the northwest-southeast **Burnie Trend**, defined by historical positive trenching results for gold, and recent airborne electromagnetic conductors is considered a high priority exploration target. The Burnie vein systems are hosted by a penetrative northwesterly trending shear zone approximately 35 m thick, the core 10m of which is so intensely deformed as to be called a mylonite. The zone is also intruded by two megacrystic plagioclase phyric dykes which have themselves been sheared and silicified. Similar mylonites have been identified in outcrop 350m along strike to the northwest where quartz flooding was also noted. This structure is likely to be large enough to have considerable strike and dip potential and by virtue of its width could develop thick ore shoots. Identical mylonite was reported by two prospectors and supported by photographs in Skyline's records 3km on strike southeast of the Burnie demonstrating the expected continuity of such a strong structure. The quartz flooded shear zone contains gold silver and traces of lead and zinc. Previous trenching exposed the zone for over 12m of thickness. Individual quartz veins within the structure contained as much as 15.4 g/t gold and 47 g/t silver across 0.5m. A single drill hole beneath the trenches encountered 1.15 g/t gold across 2.8 m. at the projected location of the Burnie-1 vein. A second quartz vein system was intersected up hole from the Burnie-1 system and is correlated with either an overburden covered vein or a vein exposed in a second trench. The best gold values recovered to date in the Burnie area are from quartz float boulders found in the streambed of the next creek to the south of the Burnie trench area. Samples of numerous quartz boulders contained high-grade gold mineralization with as much as 96.8 g/t gold and 212 g/t silver.

The **Craig Gold Anomaly** is located on the northwest side of the claims where two reconnaissance soil sample lines spaced 500 m apart defined five sample sites that returned from 200-500 ppb gold with supporting gold values in the 30-100 ppb range. The soils also contained anomalous values in silver, arsenic, copper, lead, and zinc. The area is underlain by quartz-feldspar sericite altered epiclastic siltstones. Quartz flooding was noted in a wide shear zone.

The **SMC** showing, also located near the **Craig Gold Anomaly**, was discovered in 1988 along the road leading from Bronson Slope to the Johnny Mountain Mine. A single drill hole was completed at that time. Showing exposures were increased in size by four back-hoe trenches. Twelve diamond drill holes were completed on a very tight grid along 40m of strike length in 1991. Drill hole results yielded many mineralized sections with grades similar to the trench samples described below. Mineralization has been described by various geologists as volcanogenic massive sulfide but also as shear hosted. Mineralization has been traced over a 160m strike length in the trenches and follows a NNW trend. Rock types include intermediate to felsic ash to lapilli tuffs within more extensive greywackes and siltstones. Massive sulfides are well laminated within the tuffs. Sphalerite and pyrite are the dominant sulfides with lesser galena and chalcopyrite. Sulfides also occur as veinlets within brecciated felsic tuff sub parallel to foliation/bedding. Silicification is strong where metal grades are highest. Foliation and shearing attitudes are highly variable but drilling shows bedding and mineralization to be dipping moderately northeast. 125 channel samples were collected by Adrian Resources Ltd in 1991 by making two cuts about 5 cm apart with a carbide blade across outcrops and chiseling out the intervening rock. Sample lengths were from 0.8m to 1.8m long but most were 0.9m to 1.1m long. Fifteen of these samples returned gold grades greater than 0.3 g/t with a high of 7.5 g/t. Silver grades were 17 to 85.7 g/t, lead 0.2 to 5.7 %, zinc 0.38 to 19.4 %, and Cu 0.07 to 0.56 %. Many of the lower grade gold samples were also similarly anomalous for these other metals. Orientation of the samples was in general across structure although not all. Soil samples collected over the showing area were not anomalous for any metals. A ground VLF-EM survey that is coincident with mineralization at the trenches has been traced for 700 metres to the north and 500 metres to the south. A series of sub-parallel VLF-EM anomalies have also been identified.

Geology - Gorge, Gregor & Snip North

The following is taken, in part, from Robertson (1992). The geology of **Figure 7-3** is taken from Michalynuk et al (2011). The area is essentially underlain by gently folded, flatly to moderately dipping, undifferentiated Upper Triassic to Lower Jurassic porphyritic andesitic tuffs and flows, and volcanically derived sediments that have been intruded by the Upper Triassic Verrett diorite stock, the Lower Jurassic Iskut/Bronson alkali feldspar syenite mass, and the Eocene Coast plutonic complex. Numerous steep faults transect the property, as evident on Landsat images and air photos. Overburden varies from a thin layer of developed soil to greater than five metres of glacial till and glacial-fluvial sediments.

Volcanic rocks are dominated by flows with tuffaceous horizons throughout. The tuffs can vary from crystal tuff, containing 2–3 mm feldspar crystal, to polymictic lapilli tuffs which contain 5mm pyroxene phenocrysts. North of the Iskut the volcanics are moderately to completely recrystallized, obscuring primary depositional and contact relations.

Sedimentary rocks are dominantly siltstones and greywackes occurring as both thin lenses within thick volcanic units and as thick extensive packages of either well bedded or massive sediments. These rocks are regionally metamorphosed to greenschist facies.

The main intrusive body, the Bronson Stock, is located south and north of the Iskut River. It has been dated by Pb isotope means at 205 + 4 Ma. Smaller orthoclase porphyry intrusives with textural and chemical characteristics very similar to the Bronson Stock are found between the Gregor and Gorge areas (i.e., the Gregor Stock) and in the northeast comer of the former Meridor claims. The northern boundary of the Property crosses onto the southern edge of a large Tertiary diorite pluton, related to the Coast Plutonic Complex. The intrusive has caused some localized skarn in adjacent host rocks but the intrusive itself is generally unaltered. Lamprophyre dykes are found throughout the property in various orientations and sizes but are generally less than a few metres thick and cross-cut all other stratigraphy.

The property is transected by several prominent east-west lineaments and by fewer northeast-southwest features. The most prominent lineament is an east-west break extending from beyond the eastern property boundary, westward across the north end of the Meridor property (just north of the Snip North), and disappears below the deep fluvial sediments in the Iskut River valley. The entire package has been regionally metamorphosed to lower greenschist facies. More intense alteration is found locally, associated with faults and intrusive contacts. Alteration of the strata ranges from contact metasomatism (hornfels and skarns), to propylitic (chlorite, quartz and carbonate) in the Gregor and Southwest grid areas, to garnet-biotite in the Gorge, Gorge South and portions of the Hemlo West mineralization. Biotitic alteration of the sediments, chloritic alteration of the intermediate volcanics and sericitic alteration of the felsic volcauics is pervasive throughout the area. The Gorge South showing and some of the recent drilling revealed abundant, patchy silicification and feldspathization of the sedimentary/volcanic package.

At the Gorge Showing the main shear trends are at 136°/64 SW, 200°-220°/60 NW and 020°/750-900 SE. Field observations indicate that the structures at this showing do not continue across Gorge Creek to the southeast. Air photo interpretation also supports this observation. At the Gorge South showing area, shears trending 075°/80-90 S was observed. The above noted structures cut the metavolcanic/metasedimentary strata whose foliation is east-west to northeast-southwest and dips moderately to the south.

Drilling in the transition area between the Gorge and RPX zones revealed intense faulting and shearing of the elastic sediments beside the Gorge Creek. Fault breccias, up to 4.04 metres thick, and intensely fractured greywacke rubble, up to 13.56 metres thick, were encountered in the drill core. These structures generally appear to be steeply to moderately dipping to the southwest.

The Gregor zone drilling revealed several fault and shear structures which appear to dip moderately to the southeast and northwest, but this could not always be traced from hole to hole.

Mineralization - Gorge, Gregor & Snip North

Mineralization in the target area appears to be fairly widespread and diverse. The limited bedrock exposures revealed that at least trace amounts of disseminated and fracture filling pyrite is common to most of the metavolcanic and metasedimentary rocks. Pyrrhotite disseminations and fracture fillings are less common. Sulphide-rich sections appear to be related to the coarse, intermediate pyroclastics (e.g., Gregor Showing area), hornfels / skarn zones (Mt. Verrett area) and to structural zones (e.g., Gorge Showing) which disrupt both the metavolcanic and metasedimentary rocks. The Gregor intrusion appears to be relatively barren of significant sulphide mineralization, while chalcopyrite and pyrite mineralization appear to be hosted by and associated with the Bronson stock.

The structurally-related zones display both sulphide fracture fillings and disseminations, as well as semi-massive to massive sulphide lenses. The mineralization, commonly consists of pyrite and lesser pyrrhotite but locally, trace to moderate amounts of base metals, are present. These include chalcopyrite (e.g., Gorge and Gregor zones), galena (the Gregor zone, some of the trenched Hemlo West showings), and sphalerite (Hemlo West showings and the Gregor zone). Arsenopyrite was observed in minor to moderate amounts at the Gorge and Gorge South showings, as well as in the drill intercepts of the zone. The RPX zone and Gregor arsenopyrite in the RPX and Gregor zones is found, primarily, as disseminations in sheared, biotite altered greywackes and are typically associated with quartz veinlets and fracture fillings. The shear/vein systems of the Gorge commonly contain a silica-carbonate gangue and are hosted by moderate to intensely altered metasedimentary and/or metavolcanic rocks. Biotitic alteration is locally intense.

The 1990 drilling of the Gregor zone confirmed the patchy nature of the sulphide mineralization observed in a 1989 trench. This is especially true of the sulphide rich tuff breccia which hosts several semi-massive to massive sulphide sections. The sediments and underlying pyroclastic sequence in this section typically host a lesser amount of sulphides. Pyrite, in amounts of up to 8%, is fairly common to both the orthoclase porphyry and the metasediments. Chalcopyrite in amounts of up to 5% is hosted by both units and is generally associated with quartz veins/veinlets. It is found as blebs and fracture fillings within the veins and/or the surrounding wall rocks.

Burgoyne (2008), from a review of 2006 and 2007 of **Snip North** drilling logs, define widespread mineralization and alteration consisting of pyrite, chalcopyrite, molybdenite, magnetite, calcite, chlorite, and quartz are found in veins, veinlets, fractures, and stockworks, minor breccias, and as disseminations. This is representative of the porphyry-style mineralization at Snip North and the defined Iskut Porphyry copper-gold-molybdenum Deposit. Pyrite is found in vein/veinlets and as disseminations and can vary from 1-10%. The rocks are locally silicified and have calcite flooding and also contain in the groundmass, pyrite, magnetite, carbonate, chlorite, biotite, hematite, and epidote. Quartz-carbonate and quartz veins and veinlets, associated with pyrite and chalcopyrite and molybdenite, from 25 to 70 degrees to the core axis are the most prominent style of alteration. Magnetite veinlets are also common, as well, as disseminations. The veins and veinlets can vary from 1 to 30 mm but can be up to 50 cm thick. Closer to surface or within fault zones, limonite and manganese dioxide are found. The alteration package consists of both phyllic and propylitic phases. All of these alteration packages discussed above are found in fine-grained sedimentary and probable tuffaceous rocks. The most outstanding visual characteristics of the host rock is the commonly pale to medium green-grey colour and mottled with diffuse blue-grey quartz and quartz/calcite veins and veinlets and disseminated blebs of magnetite and pyrite. The copper and gold grades may vary with the degree of silicification and the amount of quartz-pyrite-chalcopyrite veining.

The porphyry style mineralization is enveloped to the west and northwest by a broad pyrite halo containing gold and copper values. Further to the north and northwest, the disseminated pyrite mineralization abruptly changes to mineralized shear zones carrying quartz and sulphide veins of the Gorge Showing.

Geology - Bug Lake

The main stratigraphic unit on the property is the Upper Triassic Stuhini Group. This Group is characterized by basic to intermediate volcanics which underlie andesitic volcaniclastics and flows as well as inter bedded dark grey siltstone and fine to medium grained greywacke intruded by subvolcanic alkali intrusives of probable Jurassic age and monzonite bodies of the Cretaceous coast Plutonic Complex. The following description of property geology is taken in part from Caulfield (1988, 1987).

An undifferentiated mafic volcaniclastics unit designated as agglomerate underlies the central portion of the claim group**.** It is dark-green in color and contains sub-rounded to sub angular clasts up to one meter across. The clasts originated from vesicular to amygdaloidal andesitic flows or plagioclase-augite porphyries. The agglomerate is strongly chloritized in places, masking the presence of the clasts. The brittle porphyry fragments fracture more readily than the matrix, aiding in the identification of the agglomerate in outcrop. The matrix of the agglomerate is andesitic in composition with plagioclase and pyroxene crystals set in an aphanitic groundmass. Disseminated magnetite (1%-3%) is ubiquitous and disseminated or blebby pyrite mineralization is common.

The agglomerate locally grades into a finer-grained wacke variety or contains tuffaceous inter beds. It has been altered by pervasive carbonate, chlorite and lesser epidote during weak regional metamorphism. This mafic wacke is a more highly sorted and finer grained variety of the agglomerate, displaying a more obvious clastic nature with angular to sub-angular crystals and fragments generally less than one to two millimeters in diameter. It is dark-green in color and may also be chlorite altered.

To the west, the agglomerate gives way to an interbedded volcanic conglomerate/mafic wacke package. The conglomerate is polymictic with poorly sorted siltstone/greywacke fragments and volcanic porphyry clasts supported in a matrix of mafic grit size material. Clasts may exceed two millimeters in size and are sub-rounded to round. The conglomerate has been altered to chlorite and epidote. This unit is inter-bedded with, and grades into, the mafic wacke noted above. Contact relationships between the conglomerate and the agglomerate have not been observed.

Clastic sedimentary rocks occupy a smaller portion of the claim area, lying mainly on the west part of the area but also on the southern edges of the Waratah 7 claim. Two rock types have been recognized and mapped, of which the most common is an interbedded siltstone /greywacke and pelitic/argillite unit.

Four intrusive types have been defined at Bug Lake. They underlie a small portion of the claim area. They are apparently more easily identified in drill holes than in rock outcrops due to their recessive weathering nature. They include orthoclase porphyry, very minor syenite, feldspar porphyry and medium-grained monzonite.

A study of the regional structure through the use of air photos shows several prominent structures. Three main lineament directions trend ENE, NW and NE. The most prominent features are the NE lineations and structures typical of these have elongated the middle and ends of Bug Lake. The lineament passing through the centre of Bug Lake can be followed to the southwest out of the property. This fault zone or structural break may control veining and mineralization adjacent to Bug Lake.

Mineralization - Bug Lake

Mineralization is controlled along fracture planes and stereo-net plotting reveals that certain orientations are more likely to contain quartz veins. The following list summarizes the dominant joint, vein and fault attitudes:

1. Un-mineralized Joints: 050/80 SE, 135°/15° SW, 050°/6O° SE
2. Quartz Veins: 145°/65° NE (Swamp, Bluff Veins)
   155°/70° SW (No. 7, River Veins)
   17°/45° W (X-Cut Vein)
3. Faults: 095°/65° N (ENE lineaments)
   035° /45° SE (Handel Break)

Many ENE topographical lineaments were mapped in the centre baseline area and although actual field evidence of faulting could not be documented, faulting was inferred by the inability to trace veins across the ENE trending depressions.

This discussion of mineralization is thus best described as historical mineralization defined in the period of 1987 through 1996 although Skyline defined new mineralization at Bug Lake in 2011. This is described in **Item 9**. Drill hole results are discussed in **Item 10**.

Seventeen different showings with significant gold values occur in the Bug Lake area. Mineralized occurrences on the Bug Lake property are classified into three categories: copper-gold veins, native gold-pyrite, and copper-lead-zinc-silver-gold veins (Caulfield, 1987). Nearly all of the mineralization does carry ubiquitous, fine-grained disseminations of magnetite and fracture fillings and/or disseminations of pyrite in amounts of trace to 1%. Quartz-carbonate veins and shears commonly have pyrite, with localized chalcopyrite, magnetite, and arsenopyrite. The greatest number of mineralized showings consists of copper-gold veins. Propylitic alteration of the volcanic section is widespread, especially within northeast of Bug Lake. Locally, silicified pods are associated with shear zones throughout the area.

Gold - Copper Quartz Veins

By far the greatest number of mineral showings, including the Bluff, Swamp, No. 7 and Gold Bug veins (Pegg, 1991), are mesothermal quartz-sulphide veins of the copper-gold type. Mineralization consists of pyrite chalcopyrite, magnetite, arsenopyrite and free gold with in quartz chlorite vein/veinlet structures. Minor amounts of bornite, chalcocite and native copper have also been noted. Higher gold grades occur with increasing sulphide content and with zones rich in chalcopyrite, magnetite and arsenopyrite, and in particular, with the higher copper values. Visible gold has been noted at the Swamp, Golden Arrow and Badger veins. Silver is a minor constituent, occurring in quantities similar to gold. Vein widths vary from several centimeters to 1.65 metres, with orientations largely controlled by northwest and more northerly structures. Larger veins are commonly zoned; sulphide-rich mineralization occurs on the vein contacts around a leaner core of quartz veining. Generally, the gold grade varies in direct proportion to the sulphide content.

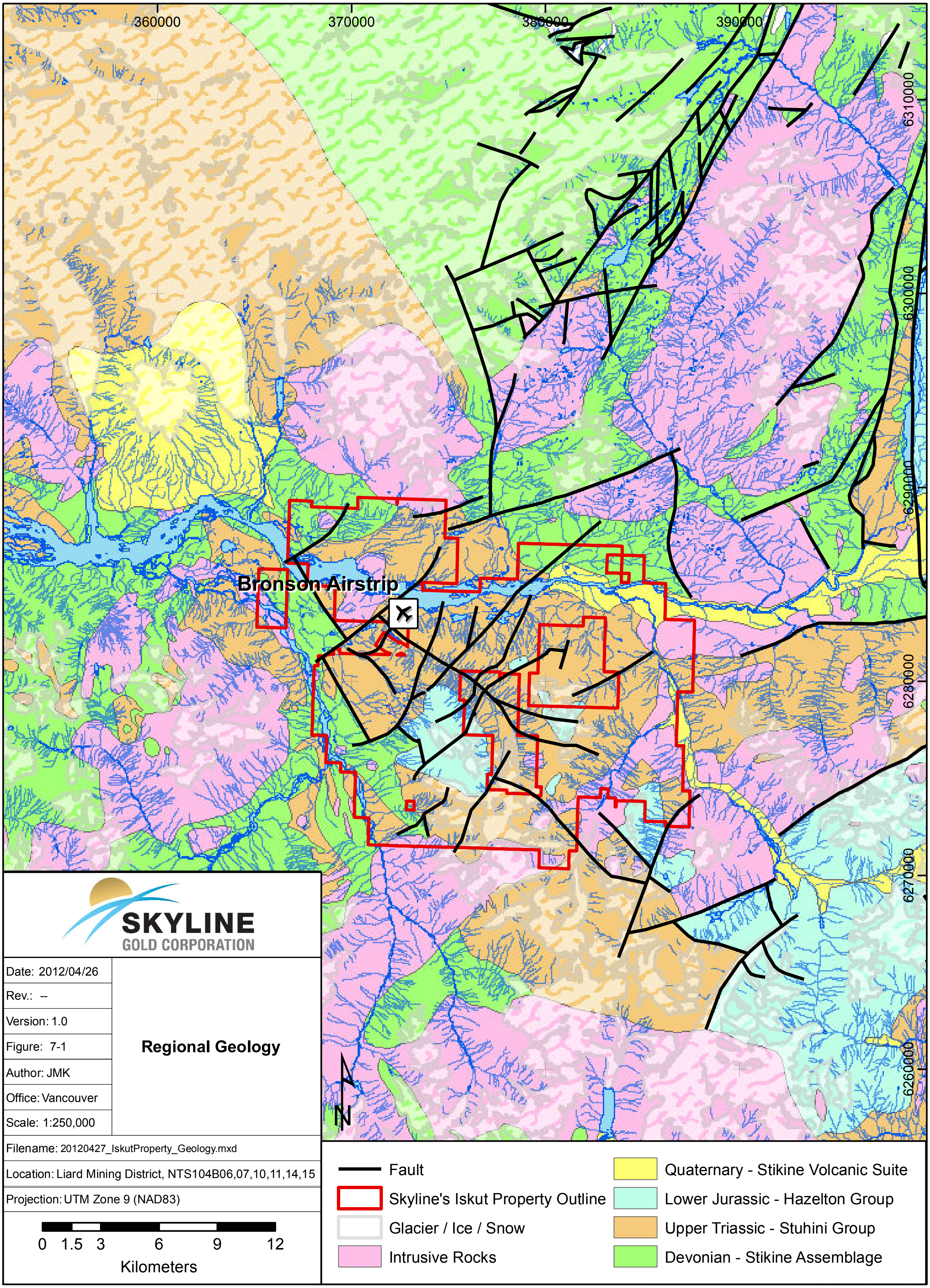
The Golden Arrow showing and a second vein west of the Golden Arrow are veins of the copper-gold type but are hosted within a monzonitic intrusive. The Golden Arrow is also unique in its restricted alteration envelope and its east-northeasterly strike with a moderate southerly dip.

Most of the veins have northwest trends with dips ranging from steep to northwest to southwest. Some veins, although, are found along northeast trending structures and shear zones.

Copper-Lead-Zinc-Silver-Gold Quartz Veins

The second type of mineralization is characterized by the presence of galena and sphalerite with lesser chalcopyrite, arsenopyrite and pyrrhotite. Most of this type of mineralization occurs in siltstone/greywacke located on the western part of the claim group.

The association of lead and zinc is accompanied by lower gold values generally in the range of 0.3 to 3 grams per tonne. Higher gold values are found when other minerals such as arsenopyrite and chalcopyrite are present. The mineralization may occur as single quartz-calcite veins or as crackle and stringer mineralization. Examples of both of these mineralization types are found at the Boot Hill showings. Also, on the western parts of the claims the sedimentary rocks contain base metals along with silver and gold associated in crackly/stringer type veins and zones.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GOLD CORPORATION
Date: 2012/04/26
Rev.: --
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Kilometers
Fault
Skyline's Iskut Property Outline
Glacier / Ice / Snow
Intrusive Rocks
Quaternary - Stikine Volcanic Suite
Lower Jurassic - Hazelton Group
Upper Triassic - Stuhini Group
Devonian - Stikine Assemblage

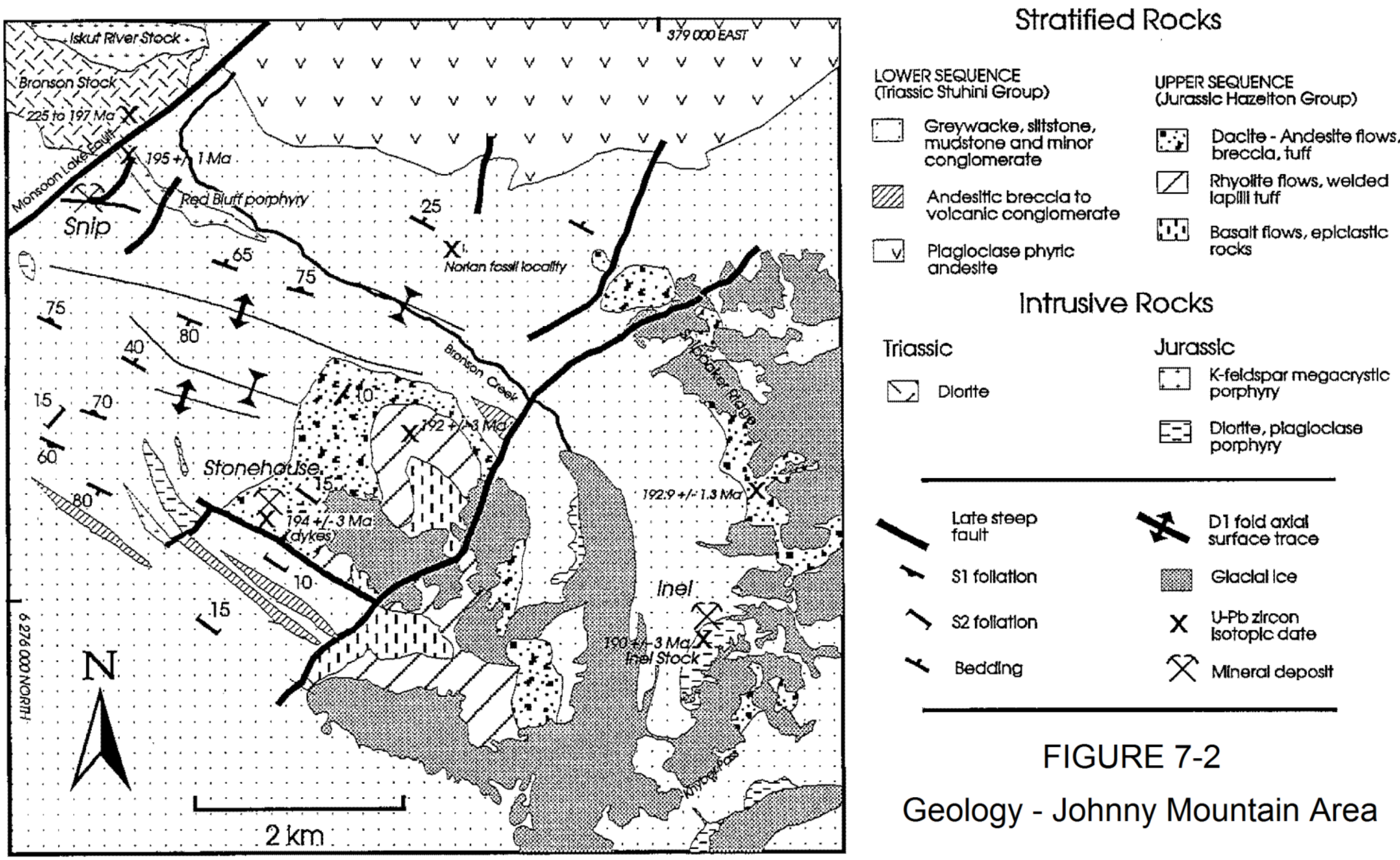

FIGURE 7-2

Geology - Johnny Mountain Area

Fig. 7-3 Iskut River Geology Legend

LAYERED ROCKS

PLEISTOCENE AND HOLOCENE
Hoodoo Mountain Volcanic Complex (subdivision and descriptions after Edwards et al., 2000)

- **PlHpp** — Unglaciated porphyritic phonolite lava flows containing alkali feldspar phenocrysts.
- **PlHppg** — Porphyritic phonolite lava flows partly modified by glaciation (near margins of modern alpine glaciers). Unpublished preliminary isotopic age determinations of 7 Ka and 28 Ka are reported by Edwards et al. (2000).
- **Plap** — Pleistocene undivided aphanitic phonolite lava flows. Immediately southwest of the Twin Glacier terminus, three flow domes have been mapped by Edwards et al. (2000). These authors also report unpublished K-Ar age determinations ranging from 0.11 ±0.03 Ma to 0.02 ±0.01 Ma.
- **Plaps** — Aphanitic phonolite lava flows and spines displaying evidence of shallow subglacial eruption. Strongly-developed, closely-spaced jointing is common. Abundant irregular vesicles may contain analcite.
- **Plapm** — Aphanitic phonolite lava flows within the medial parts of the volcanic section. Strongly jointed producing thin, commonly radiating columns (~0.5m thick).

EARLY JURASSIC
Hazelton Group?

- **eJmx** — Coarse basalt breccia; fine-grained, locally scoriaceous, ± wacke interlayers. May grade into unit eJtg and lTrJsc.
- **eJtg** — Well-bedded, bright green lapilli ash tuff and tuffite; extensively chlorite - epidote altered; beautiful relict layering locally overprinted by intense foliation and sericite-quartz alteration; mafic to intermediate compositions.
- **eJtm** — Massive to bedded, maroon ash to lapilli tuff ±tuffite, commonly with a platy cleavage. Similar units occur in Late Triassic and Carboniferous sectons.
- **eJdaf** — Hornblende ± biotite and feldspar crystal-rich dacite ash flow / air fall tuff; commonly light maroon-weathering; preliminary U-Pb zircon age of 187 Ma (N. Joyce, pers. comm.); correlative with Betty Creek Fm. to south.
- **lTrJsc** — Dominantly quartz-bearing, turbiditic volcanic sandstone and argillite, lesser calcareous, rusty conglomerate dominated by sedimentary, volcanic and granitoid clasts.
- **lTrJvc** — Volcanic conglomerate with carbonate matrix dominated by wacke and feldspar porphyry clasts; a subunit of lTrJsc where mappable.

LATE TRIASSIC (PROBABLY TO EARLIEST JURASSIC)
Stuhini Group

- **lTrSw** — Orange and black turbiditic sandstone and conglomerate with coaly fragments common in 104B/14. Clasts are dominated by brown, altered, tabular feldspar porphyry.
- **lTrSoc** — Conglomerate and tuffite: orange, coarse biotite crystal-rich matrix, clasts include tabular feldspar porphyry, syenite and coarse K-feldspar crystals. Cut by breccia dikes and diatremes with similar clasts.
- **lTrSd** — Maroon dacite tuff. Feldspar, quartz and minor biotite crystal tuff to lapilli crystal ash tuff. Welding is poorly developed; pummice blocks are compacted. Also white rhyolite as coarse breccia, tuff and flow within unit lTrJsc; preliminary U-Pb zircon age of ~220 Ma (N. Joyce, pers. comm.).
- **lTrSpc** — Polymictic conglomerate. Carbonate, feldspar porphyry, pyroxene porphyry and granitoid clasts are common. Ash-rich matrix supported, typically maroon and massive to well-bedded.
- **lTrSvs** — Well-bedded maroon and green ash and lesser lapilli tuff and tuffite, commonly feldspar crystal-rich.
- **lTrSfp** — Feldspar porphyry tuff: mainly breccia, grades into maroon lapilli-ash tuff and may be interbedded with unit lTrSpx.
- **lTrSpx** — Augite ±feldspar porphyry: orange-tan to green-weathering, coarse, commonly crowded phenocrysts; breccia, ash tuff and lesser pillowed flows.

MIDDLE TO LATE TRIASSIC

- **mTra** — Dark brown to black, commonly rusty graphitic, calcareous, turbiditic argillite-wacke. Sparce decimeter thick, light grey interbeds of micritic Halobia or Daonella packstone.

PALEOZOIC TO TRIASSIC UNDIVIDED
Metamorphosed Stikine Assemblage and Stuhini Group, deformed and cut by Late Triassic - Early Jurassic intrusions

- **PzTrsv** — Undivided sedimentary and volcanic rocks.
- **PzTrl** — Brown-weathering, slabby recrystallized corraline limestone located south of Mt. Varrett.
- **PzTrvm** — Mafic volcanic: tuff and minor flows; may display relict pyroxene phenocrysts. Locally magnetite pophyroblastic. Also as dikes.
- **PzTrvi** — Breccia and ash of intermediate composition; includes amygdaloidal flows near Twin Glaciers.
- **PzTrvr** — Rhyolite and dacite tuff and rare flows (interpreted from drill core near Rock and Roll). Interlayered rhyolite and basalt flows at Twin Glaciers. "Sanidine porphyry" flows south of Mount Verrett. Interbedded with quartzite above lower Craig River.
- **PzTrw** — Argillite-siltstone: recessive, grey, brown and rust-weathering argillite and laminated siltstone couplets interpreted as A-E turbidites; rare quartz-eye tuff layers near Rock and Roll; may correlate with Cvt.
- **PzTrt** — Tuffaceous phyllite and volcanic siltstone/wacke: light to dark green and platy-weathering.
- **PzTrs** — Siltstone-sandstone: locally well laminated with volcanic association and/ or volcanic lithic grains; may contain lenses of conglomerate.
- **PzTrss** — Sericite schist (Macrae and Hall, 1983).
- **PzTrp** — Porcellanite (Macrae and Hall, 1983).
- **PzTrq** — Quartz-rich sandstone southwest of Mount Verrett
- **PzTrsg** — Graphitic siltstone and argillite: black and rusty, commonly pyritic and recessive. Mainly siltstone southwest of Mount Verrett. At "Sulphide Ridge" it is mainly sooty argillite, and hosts mineralization at the Black Dog zone.
- **PzTrhs** — Chert; may include silicified siltstone and volcanic dust tuff.

DEVONIAN TO PERMIAN
Stikine Assemblage - undivided late Paleozoic (Devonian to Permian)

- **PSl** — Undivided limestone: typically massive, crinoidal grainstone. Probably mainly Early Permian.
- **PSlm** — White to tan or grey marble. Variable protoliths as young as Permian.
- **PzSv** — Metamorphosed intermediate to mafic volcanic tuff
- **Pas** — Calcareous turbiditic wacke: argillite and siltstone couplets.

mainly Early Permian

- **ePSl** — Cream to dark grey limestone, locally with giant fusulinids, silicidied bryozoa, bivalves and crinoids common. Possibly ranges in age to Middle Permian.
- **ePSlh** — Dark grey, thickly bedded (dm to m) limestone with irregular black chert interbeds.
- **PSlgc** — Well-bedded grey/black and cream/tan-coloured limestone.
- **ePSh** — Well-bedded, radiolarian chert; black, grey ±rust-weathering. Near the Dirk prospect are cm to dm interbeds with thinner, light grey to yellow-weathering, poorly indurated claystone. Probably ranging in age to Late Carboniferous.

mainly Middle Carboniferous

- **Cvt** — Volcanic wacke, argillite: thin lenses or beds of volcanic conglomerate; white rhyolite and dark green mafic clasts are common; bioturbated locally; rare cm-thick lenses of pyrite and pyrite clasts.
- **Ctex** — Well-bedded green to maroon ash to lapilli tuffite and tuff, with sparce, irregular red chert (exhalite?) which may include stratiform pyrite and chalcopyrite lenses.
- **Cvc** — Volcanic conglomerate dominated by wacke and feldspar porphyry clasts. A subunit of Cvt where mappable.
- **Cl** — Crinoidal limestone: typically light grey with large crinoids, well-bedded to massive. Basal parts may be interlayered with basalt.
- **Cvf** — Felsic volcanic rocks, mainly light yellow to green-weathering rhyolite and dacite; locally displays welding; preliminary U-Pb zircon age of 340 Ma (N. Joyce, pers. comm.).
- **Cbt** — Mainly green tuff and pillows with jasper at margins, grades into unit Cl; lesser fine-grained rusty wacke and argillite may grade into Cvt. Includes one outcrop area (of probable Early Permian age) in NW corner of map area.

INTRUSIVE ROCKS

Early Eocene

- **EEgd** — Hornblende-biotite granodiorite. White to grey-weathering, locally with xenolith-rich zones and amphibolitic schleiren.
- **EEqd** — Dark grey, blocky, varitextured biotite hornblende quartz diorite and granodiorite.

Early Jurassic and Late Triassic

- **eJp** — Red Bluff stock: K-feldspar porphyry; reported U-Pb zircon age is 195 ±1Ma (Macdonald et al., 1992).
- **qtz-mt** — Quartz-magnetite alteration zone south of Red Bluff stock (Lefebure and Gunning, 1989).
- **lTrJgd** — K-feldspar megacrystic granodiorite: coarse holocrystalline to porphyritic; secondary fine biotite is pervasive where potassic-altered. Includes Bronson stock with reported U-Pb zircon ages of 193.9 +6/-0.6 Ma (Lewis et al., 2001) and 211 ±14 Ma (Macdonald et al., 1992). Includes non-porphyritic dikes and granodiorite along the Craig River.

Late Triassic Copper Mountain Suite

- **lTrCsy** — K-spar porphyritic syenite, generally with abundant primary biotite > hornblende. Breccia, tuff and subvolcanic intrusions. Includes carbonate-biotite-K-feldspar diatremes with multiple generations of biotite and?chrome diopside xenocrysts.

Paleozoic to Jurassic

- **PzJd** — Diorite stocks and dikes: variably foliated and/or cataclastically deformed; medium-grained, dark green, includes minor quartz diorite.

Carboniferous?

- **CVgg** — Verrett pluton: graphic granite, tan to orange, rubbly to blocky weathering, pyritic, cataclastically deformed northern contact.

SYMBOLS

- Geological contact: defined, approximate, inferred
- Form lines
- Unconformity: defined, approximate, inferred
- Fault: defined, approximate, inferred
- Thrust fault: defined, approximate, inferred
- Axial trace of regional fold: antiform, anticline, synform, syncline
- Bedding: tops indicated, overturned, inclined, vertical — 31, 22, 67
- Fabric: jointing; slaty cleavage or schistosity (inclined, vertical, second phase) — 82, 43, 23
- Fold axis, axial cleavage — 31, 67
- Lineation: inclined, horizontal — 82
- Contact, Brittle shear, Slickenside, Reverse shear band — 31, 67, 25, 18
- Glacial striae
- Isotopic age date sample site: U-Pb zircon (see Mihalynuk et al., 2011) — ~340Ma
- Past producer, developed prospect, showing
- Drill Hole, surface trace of mineralization
- Limit of mapping
- Airstrip
- Topographic contour (20 metre intervals) and spot heights — 1200
- Firn (multi-year snown on ice); Moraine (where mapped)
- Glaciers; Lakes; Wetlands (swamps and marshes)
- Outcrop (darker shade)

Source: Mihalynuk, M.G., Logan, J.M., and Zagorevski, A. (2011): East Hoodoo Mountain - Iskut River Geology (NTS 104B/14E, 11NE); Geological Survey of Canada, Natural Resources Canada, Open File 6730, 1:50 000 scale.

SKYLINE GOLD CORPORATION

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Version: 1.0	
Figure: 7-3	
Author: JMK	
Office: Vancouver	
Scale: 1:50,000	

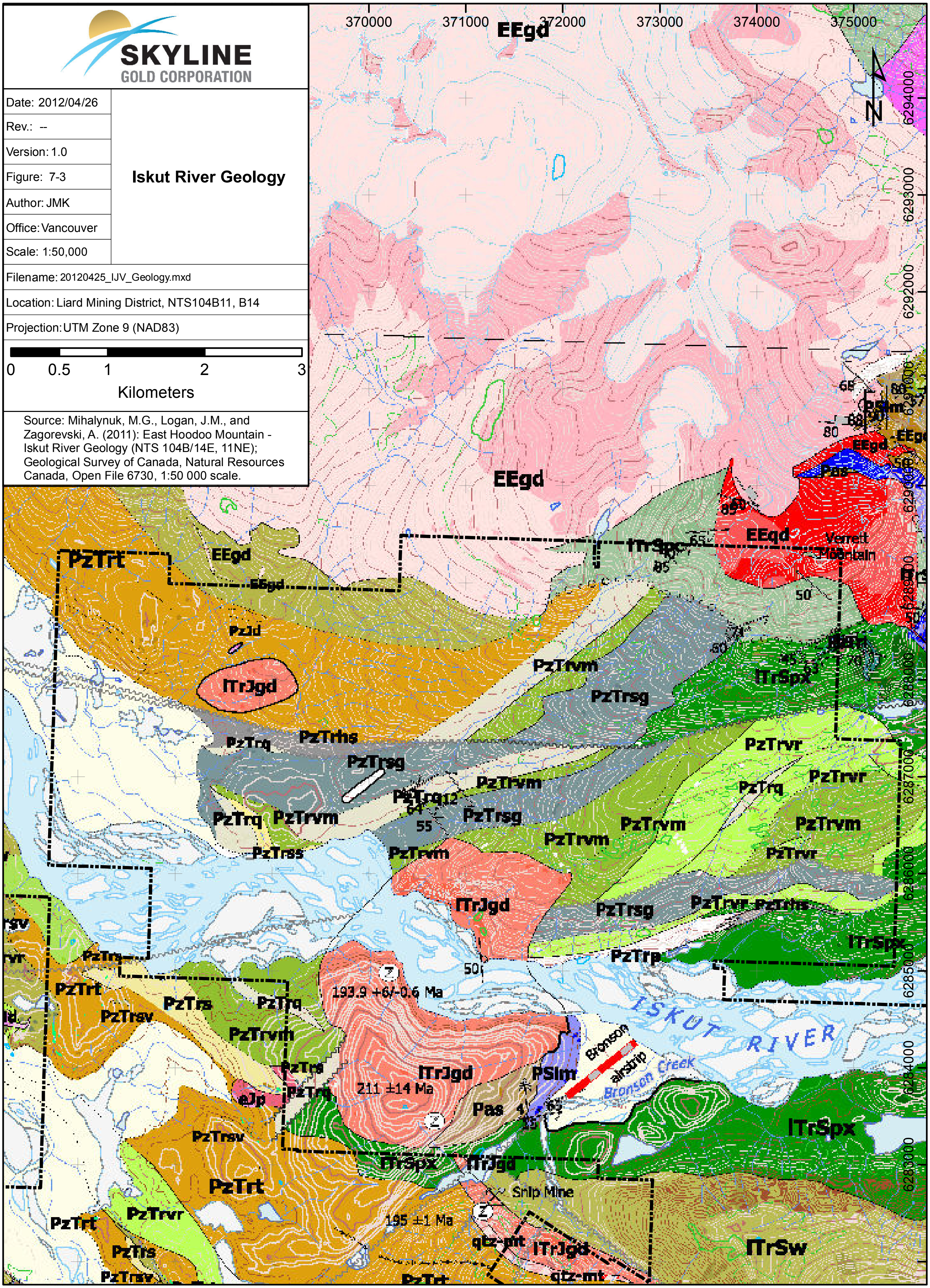
Filename: 20120425_IJV_Geology.mxd

Location: Liard Mining District, NTS104B11, B14

Projection: UTM Zone 9 (NAD83)

0 0.5 1 2 3
Kilometers

Source: Mihalynuk, M.G., Logan, J.M., and Zagorevski, A. (2011): East Hoodoo Mountain - Iskut River Geology (NTS 104B/14E, 11NE); Geological Survey of Canada, Natural Resources Canada, Open File 6730, 1:50 000 scale.



8.0 Deposit Type

The gold-pyrite and gold-copper, and copper-lead-zinc-silver-gold veins found on the Snip-Bronson Trend appear have a similar origin to that of the nearby and adjacent Snip gold-copper and Johnny Mountain (Stonewall) underground mines. The gold-pyrite and gold-copper and copper-lead-zinc-silver-gold veins found in the Bug Lake area also appear to have a similar origin.

These deposits are vein in nature and are found in a folded sequence of Upper Triassic turbiditic and volcanoclastic rocks and are considered as intrusive related mesothermal gold veins of a probable Early Jurassic Age. The Snip and Johnny Mountain deposits occur 4 kilometres apart on Johnny Mountain. The western limits of the Bug Lake veins are located 2 km east of the Snip Deposit.

At Bug Lake the veins are associated with intrusive dykes and sills and are found in shears and faults. Here orthoclase porphyry is found near many of the vein systems and is postulated to be genetically related to the mineralizing process. The highly mineralized Early Jurassic Red Bluff Porphyry intrusive of quartz monzonite to monzodiorite composition is located about 2 km west of the Bug Lake property and is associated with mineralization in the district including the Snip and Johnny Mountain gold-vein deposits and the Bronson porphyry gold-copper-silver-molybdenum deposit. Veins at Snip were emplaced progressively (Rhys, 1995) during normally directed simple shear that accompanied a period of semi-brittle deformation. At Johnny Mountain the veins represent a higher level, more brittle response to the same deformational event that formed the stratigraphically deeper Snip veins. The Bug Lake property veins are considered also to have formed during the same deformational event and are considered to be genetically part of and related to that defining the Snip Au-Cu and Johnny Mountain Au deposits.

The Bronson Slope and Iskut (Snip North) copper-gold-silver-molybdenum Deposits are considered to be a porphyry copper-gold deposit type that contains, dependent on rock type and alteration, abundant magnetite. Magnetite mineralization is spatially associated with the Quartz Magnetite Breccia and the Red Bluff Porphyry Intrusive units are prominent at Bronson Slope Deposit.

Porphyry deposits (Kirkham and Sinclair, 1996) are large, low to medium-grade deposits in which hypogene ore minerals are primarily structurally controlled and which are spatially and genetically related to epizonal and mezonal, felsic to intermediate porphyritic intrusions. The large size and structural control (e.g., veins, vein stock works, fractures, crackled zones, and breccia pipes) are of fundamental importance and serve to separate porphyry deposits from genetically-related (e.g., some skarns, high-temperature mantos, breccias pipes, etc.) and unrelated deposit types. Orientations of mineralized structures appear to be related to local stress environments around the top of the pluton or can reflect regional stress conditions. Supergene minerals may be developed in enriched zones in porphyry deposits by weathering of primary sulphides.

The Bronson Slope and Iskut Deposits are considered to be a porphyry copper-gold subtype. This style of mineralization is commonly associated with alkaline intrusive rocks. Bronson Slope is an exception in that it is associated with a plagioclase-clinopyroxene diorite or granodiorite intrusion. This subtype is defined if the gold content is greater than 0.4 g/t gold. If the content exceeds 0.8 g/t gold, the subtype can be identified as a porphyry gold deposit.

In British Columbia porphyry copper-gold deposits are commonly associated with Triassic and Lower Jurassic silica saturated intrusions, formed in an island-arc setting, and possibly emplaced during periods of extension.

9.0 Exploration

Skyline conducted various exploration programs on the Property in 2010 and 2011 to follow up historic anomalous samples and showings and to prospect areas for new discoveries. Exploration work since 2010 includes soil and rock sampling, trenching, channel sampling, prospecting, as well as airborne, ground-based, and down-hole geophysical surveys. A total of 6,111 metres of drilling in 23 holes were also completed in this era of exploration. This section details the 2010 and 2011 exploration activities as they pertain to different areas of the property with results and accompanying maps and tables.

9.1 Airborne Geophysical Surveys and Interpretation

An AeroTEM II (Time Domain) airborne magnetic and electromagnetic survey was flown over a portion of the property in 2006 by Aeroquest Limited (Aeroquest, 2006) at the request of Spirit Bear Minerals Ltd., a private company which failed to complete an earn-in option agreement to acquire a 70% interest in the Property. This survey was flown from July 14th to July 19th, 2006, with 100 metre line spacing at 010° azimuth and tie lines flown roughly perpendicular to cross lines and spaced approximately 1,000 metres apart. The total survey size within the Property boundaries was 477.5 line kilometres.

Upon initial review of the Aeroquest data, Skyline's exploration team decided to re-fly a portion of the area covered by the AeroTEM Time Domain survey, with a High Frequency Domain airborne system, as well as fly the High Frequency system over other nearby portions of the Property.

The Skyline exploration team wanted to determine if the High Frequency Domain system might define targets with lesser amounts of conductive sulphides, or targets that might be more weakly conductive, and possibly be nearer the surface. High Frequency systems generally have less depth penetration than the Aeroquest and other types of Time Domain systems, but offer a higher resolution product and may detect narrower occurrences of conductive bodies

Skyline selected Fugro Airborne Surveys to fly a helicopter-borne magnetic, radiometric and DIGHEM (Frequency Domain electromagnetic system) survey over a portion of the Property. The survey was flown between August 25th and September 11th, 2011. Line spacing was 100 metres with 50 metre infill in areas of higher interest. Flight lines were oriented at 030° azimuth, with perpendicular tie lines flown every 1,000 metres (Fugro, 2011). A total of 1,341 line kilometres was surveyed. Note **Figure 4-3. Figures 9-1** and **9-2** illustrate airborne total magnetic response and conductivity, respectively.

During 2011, Skyline contracted two independent geophysical consultants. The first was tasked with the review and audit of the airborne data, as well as provide preliminary geophysical interpretations and recommendations based on the two airborne surveys described above. The audit and initial interpretive work was performed by Michael Zang, of Zang Geophysical Consultants (Zang, 2012), who identified a number of geophysical EM auto-pick targets that warranted follow up work. Auto-picks are conductors as determined by a set of criterion set-out by Aeroquest's processing parameters.

Based on Zang's recommendations, a number of higher priority EM picks located in the **Johnny Flats** area were to be further assessed by Mira Geoscience, the second geophysical consulting group tasked to advance the understanding of the airborne data.

The Johnny Flats area EM conductors selected for the Mira Geoscience work have a trend similar to the nearby high-grade Snip Gold Mine, and are located in highly prospective ground located between the Snip Mine and the Johnny Mountain Mine. Based on the work carried out by both Zang and Mira Geoscience, and upon further Skyline review, the studies defined a number of high priority targets for follow up work with drill testing.

Mira Geoscience ("Mira") was specifically tasked to generate EM models from only eighteen (18), of the approximately 134 auto-pick EM targets in the Johnny Flats area outlined by the 2006 Aeroquest AeroTEM II survey. Their review included the assessment of the quality of the airborne data, and if deemed of sufficient quality, they were to carry out 3-dimensional ("3D") modelling of the eighteen EM auto-picks and deliver to Skyline an interpretation that would include plate models of targets in the Johnny Flats region (Mira, 2012). The models Skyline has selected for follow up exploration in the Johnny Flats area are partially based on conductance, geological setting relative to the trend of the Snip Mine and the very limited historical surface work results. Note **Table 9-1** and **Figures 9-3** and **9-4**.

As a result of the encouraging results obtained from the desk top study of 2006 Aeroquest EM conductors at Johnny Flats, Skyline's exploration team contracted Mira to provide additional plate models from twenty-two (22) of the estimated 56 auto-picks in the Burnie and C1 areas. These two prospects are roughly 3 and 2 kilometres respectively, west southwest of the Johnny Flats area. Again the Burnie Trend has a similar strike direction as the structure that hosted the Snip Gold Mine.

The results of the Mira interpretative work covering the Burnie and C1 Trends has helped define a number of high priority targets that are deemed ready for drill testing. Note **Table 9-2**. The drill holes designed to test these trends should take into consideration targeting areas with: higher conductance, EM plate model location and structural trends that are similar to that of the Snip Mine vein structure; and position holes to test historical surface sampling results within the area, as well as take in consideration other geophysical features, such as magnetic lows, which may define alteration zones of interest.

The **Burnie Trend** and **C1** EM conductors that have been evaluated, appear similar to the Johnny Flats EM conductors but tend to be slightly weaker with regard to conductance. **Figure 9-5** illustrates an interpretation of the Burnie Trend favourable trend area and adjacent exploration targets.

TABLE 9-1
MAXWELL PLATE MODELLING OF JOHNNY MOUNTAIN FLATS AREA

Flight Line	Plate Name	Anomaly Labels	Plate Type	Center top of Plate (NAD83, Zone 9) Easting	Nothing	RL	Depth (m)	Dip (°)	Dip Dir. (°)	Length (m)	Depth Extent (m)	Conduct-ance (S)	Conduc-tivity (S/m)	Thickness (m)
10300	300_1K	C	Thick	371759	6280771	950	-12	76	190	152	190	12.67	0.45	28
10350	350_1K	A	Thick	372261	6280766	956	-38	82	190	222	419	9.68	0.43	23
10400	400_1K	E	Thick	372638	6279997	1043	-18	72	190	169	330	5.57	0.18	32
10410	410_1K	B	Thick	372730	6279946	1059	-13	68	190	249	339	4.95	0.20	24
10420	420_1K	D	Thick	372746	6279486	1052	-6	75	190	215	239	7.52	0.24	31
10420	420_2N	F	Thin	372782	6279691	1057	-4	75	190	296	407	11.92	-	-
10420	420_3K	G	Thick	372810	6279849	1049	-19	81	190	188	410	6.23	0.16	38
10420	420_4K	I	Thick	372891	6280312	1029	-21	75	190	216	292	7.20	0.30	24
10430	430_1K	E	Thick	372890	6279673	1045	-19	74	190	175	310	8.41	0.28	30
10430	430_2K	A	Thick	372969	6280119	1045	-21	61	190	216	292	11.43	0.46	25
10450	450_1K	G	Thick	373075	6279566	1056	-12	83	190	175	339	7.31	0.32	23
10450	450_2K	F	Thick	373086	6279632	1055	-13	87	190	160	407	3.73	0.14	26
10460	460_1K	G	Thick	373166	6279565	1053	-13	87	190	156	312	3.13	0.07	45
10550	550_1K	New	Thick	374090	6279596	1149	-25	80	190	197	327	5.95	0.24	25
10550	550_2K	B	Thick	374108	6279699	1125	-19	74	190	238	332	4.16	0.14	29
10560	560_1K	B	Thick	374200	6279672	1137	-8	77	190	195	357	4.64	0.18	26
19030	9030_1K	B	Thick	372749	6279925	1045	-26	69	280	245	266	9.93	0.30	33
19030	9030_2K	New	Thick	373031	6279876	1040	-24	80	280	210	274	7.46	0.54	14
19030	9030_3K	E	Thick	374084	6279695	1117	-27	83	100	287	268	8.04	0.25	32

TABLE 9-2
MAXWELL PLATE MODELLING 0F BURNIE TREND & C-1 AREAS

Flight Line	Plate Name	Anomaly Labels	Plate Type	Center top of Plate (NAD 83, Zone 9) Easting	Northing	RL	Depth (m)	Dip (°)	Dip_Dir. (°)	Length (m)	Depth Extent (m)	Conduc-tance (S)	Conduc-tivity (S/m)	Thickness (m)
10080	080-1K	B	Thick	369253	6279200	170	-42	84	190	273	372	7.65	0.34	22
10080	080-2K	A	Thick	369331	6279671	305	-32	80	190	246	198	3.69	0.29	13
10080	080-1N	-	Thin	369353	6279796	287	-46	78	190	323	248	4.74	-	-
10090	090-1K	B	Thick	369436	6279666	259	-22	77	190	178	329	5.65	0.28	20
10090	090-2K	A	Thick	369345	6279174	189	-43	84	10	359	226	7.87	0.32	25
10100	100-1K	A	Thick	369524	6279618	261	-18	83	12	265	206	7.26	0.29	25
10170	170-1K	B	Thick	369978	6278161	313	-58	80	10	408	269	6.41	0.21	31
10180	180-1K	B	Thick	370071	6278112	354	-30	70	189	293	218	5.88	0.22	27
10180	180-2K	A	Thick	370046	6277940	305	-72	84	189	393	263	4.25	0.15	29
10190	190-1K	C	Thick	370168	6278112	359	-36	78	190	303	275	4.84	0.19	26
10210	210-1K	B	Thick	370328	6277837	410	-30	88	191	275	275	6.13	0.24	26
10210	210-1N	C	Thin	370239	6277366	325	-18	70	11	254	308	5.10	-	-
10210	210-2N	-	Thin	370298	6277670	406	-29	74	11	254	248	4.48	-	-
10220	220-1K	B	Thick	370397	6277683	430	-18	85	10	273	262	4.30	0.13	33
10220	220-1N	A	Thin	370367	6277514	422	-18	78	10	318	261	2.46	-	-
10370	370-1K	G	Thick	371601	6275844	858	-33	89	10	245	197	7.03	0.22	32
10370	370-1N	F	Thin	371772	6276845	929	-21	77	190	229	184	6.08	-	-
10380	380-1K	A	Thick	371683	6275704	902	-31	88	10	237	252	7.00	0.22	32
10380	380-1N	B	Thin	371874	6276790	991	-7	77	190	254	198	8.12	-	-
10390	390-1K	G	Thick	371778	6275671	971	-18	72	10	240	229	9.20	0.27	34
10390	390-1N	F	Thin	371973	6276773	1013	-23	87	190	224	168	4.10	-	-
10400	400-1N	A	Thin	371648	6274442	525	-4	73	11	233	128	11.23	-	-
10400	400-2K	B	Thick	371864	6275607	991	-11	73	10	314	180	8.17	0.22	37
10410	410-2K	E	Thick	371937	6275478	1006	-22	67	10	227	174	7.90	0.23	34

9.2 Johnny Flats Area

Late in the 2011 exploration season a total of 58 rock samples were collected in the Johnny Flats area as part of a prospecting program designed to locate, investigate and evaluate mineralization and mineralized geologic features which may be related to a bismuth anomaly detected by an MMI soil sample survey performed by Spirit Bear Minerals during the summer of 2006. Results from the MMI survey were hand-contoured by Skyline geologists in 2011 to define four anomalous zones proximal and coincident with the Snip trend. These zones were chosen for follow up prospecting.

Several rock samples from this survey displayed significant combinations of elevated gold, silver, copper, lead and zinc assays. Of these two notable samples were taken in close proximity to a 150m long conductive EM trend including M972516 (4.22g/t Au and 1090.0g/t Ag) taken from a boulder and M972530 (21g/t Ag, 3.110% Zn) from outcrop.

The 2006 AeroTEM and 2011 DIGHEM airborne surveys have defined several conductors in the Johnny Flats and adjacent areas. These targets warrant drill testing and are detailed in **Item 9.1.** Note **Figures 9-3**, **9-4** and **Table 9-1**.

The northwest trending Johnny Flats exploration target area is characterized by a series of well-defined northwest trending linear EM conductors, distributed over a 2.8 km strike length at an azimuth consistent with the Snip Mine structure. These conductors are believed to be caused in part by sulphides and are believed to have an associated alteration halo as determined by the magnetic response. The ore at the nearby Snip Gold Mine was closely associated with iron sulphides, as well as in the alteration halos surrounding sulphide veining.

The Johnny Flats target area is considered to be highly prospective and substantial drilling is required to test the numerous conductors and their respective host structures.

9.3 C-1 and Burnie Trend

The C-1 and Burnie prospect areas are located approximately five and six kilometres respectively to the south-southeast of the Snip Mine. The Burnie Trend appears to be part of a much larger structural corridor that is partially defined by a six kilometre long airborne geophysical EM anomaly. This structural corridor has a strike direction similar to the Snip Mine, and has not seen any exploration since the early 1990's. Note **Figure 9-5.**

Ongoing geological compilation work has identified high-grade gold values of interest from sparse historic drilling, trenching and prospecting efforts as well as anomalous gold-in-soil and stream sediment samples. The 2006 AeroTEM geophysical data confirms conductive targets associated with these areas, making the C-1 and Burnie Trend high priority areas for follow up work.

The **C-1** target is a high priority area for continued exploration based on high gold values in rock and soil. The area is underlain by greywacke, siltstone and minor shale with quartz veins and stock works containing pyrite, sphalerite and gold mineralization. Trench results from the 1990's include 135.1 g/t gold over 0.2 m, 59.7 g/t gold over 0.25 metre, 11.93 g/t gold over 0.15 metre and 25.4 g/t gold over 0.3 metre.

One short drill hole, SK90-983, was completed in 1990, but was drilled approximately 200 metres north of the conductive EM trend defined by the 2006 AeroTEM survey. This hole was collared south of the C1-2 and C1-3 trenches, and was designed to test the depth extents of the narrow high-grade veining contained within these trenches. The hole underwent only selective sampling with 15 samples collected representing 13.7 meters out of the 51.1 metered cored. The samples taken were generally of low grade but were anomalous. The eight highest samples returning values between 0.20 and 0.55 g/t gold, and five between 0.10 g/t and 0.17g/t gold. The remaining two samples analyzed 0.07 g/t gold.

It was recognized from this drilling that addition work was required to understand the structural geology of the C-1 prospect, and that the known veins may be peripheral to a large zone of mineralization downstream to the south (Yeager, 1991). This downstream direction happens to be the general location of the AeroTEM geophysical EM conductors.

On the west side of the Iskut Property, the northwest-southeast **Burnie Trend** was originally defined by historic positive trenching gold results. Recently modeled airborne EM conductors appear related to the location of the original prospect, but the conductive trend is far more extensive than originally defined, and the original prospect area and the trend are considered high priority exploration targets.

As noted within internal Skyline reports, the historic ‘Burnie Prospect’ structural vein systems are hosted by a penetrative northwesterly trending shear zone approximately 35m thick, the core 10m of which is so intensely deformed as to be called a mylonite. The zone is also intruded by two megacrystic plagioclase phyric dykes, which have themselves been sheared and silicified. Similar mylonites have been identified in outcrop 350m along strike to the northwest where quartz flooding was also noted. The internal report indicates the structure is likely to be large enough to have considerable strike and dip potential, and by virtue of its width could develop thick shoots of mineralization. Identical mylonite was reported by two prospectors and supported by photographs in Skyline’s records 3km on strike southeast of the Burnie prospect, demonstrating the expected continuity of such a strong structure.

The 2006 Aeroquest AeroTEM II survey also indicates a conductive strike length to this prospect, extending 5 km to the northwest and 3 km to the southeast of the original prospect. The quartz flooded shear zone contains gold, silver and traces of lead and zinc. Previous trenching exposed the zone for over 12metres. Individual quartz veins within the structure contained as much as 15.4 g/t gold and 47 g/t silver across 0.5 metre. A single drill hole was drilled beneath the trenches, SK90-982.

Drill hole SK90-982 was sampled sporadically from the collar to a depth of 47.9 metre and fully sampled below that point to the end of the hole at 94.5 metre. The last 46.6 metres of the hole assayed a length weighted average of 0.463 g/t gold which includes 1.15 g/t gold across 2.8 metres. This long interval of low grade gold remains open to depth. The slightly higher grade interval is interpreted as correlating with the Burnie-1 system encountered in the trenches. A second quartz vein system was intersected up hole from the Burnie-1 system and is correlated with either an overburden covered vein or a vein exposed in a second trench.

The best gold values recovered to date in the Burnie area are from quartz float boulders found in the streambed of the next creek to the south of the Burnie trench area, suggesting a different source than the vein structure discussed above. Samples of numerous quartz boulders contained high-grade gold mineralization grading as high as 96.8 g/t gold and 212 g/t silver.

The AeroTEM EM conductors highlighted in the Burnie South area are located 300 metres north and 750 metres south of drill hole SK90-982, with no EM conductors existing in the immediate vicinity of this historic drill hole.

The original Burnie Prospect area, as well as the entire Burnie Trend appears to be highly prospective for gold mineralization, based on historical results and the interpretation of recent airborne geophysical data and EM modelling.

9.4 Snip-Bronson Trend

Trenching, Prospecting & Soil Sampling

Skyline has been undertaking exploration on the Iskut Property since the 1980's. The pre-2000 exploration history is outlined in **Item 6**. Since 2006 Skyline has been involved in exploration on the Property almost every year. During the 2006 and 2007 diamond drilling was carried out on the Bronson Slope porphyry copper-gold-silver-molybdenum Deposit. During 2009 core splitting and analyses for magnetite in historical drill core from Bronson Slope Deposit from drill holes completed in the 1990's and in the 2006-2007 programs was carried out.

Drilling was also carried out in 2009 and 2010 on the Snip-Bronson Trend on the Snip-1 claim and other targets. Trenching and rock sampling were also completed in 2010.

During 2011 the focus of exploration was directed toward high-grade gold Snip style vein mineralization primarily along the Snip-Bronson Trend, and at the Gorge, and Bug Lake high-grade gold prospects. This work involved extensive airborne electromagnetic, radiometric, and magnetic surveys, the collection of 1,999 soil samples, trenching on targets on the Snip-Bronson Trend and Bug Lake with limited sampling of historical trenches at Gorge. Three diamond drill holes were also completed along the Snip-Bronson Trend in 2011. Extensive progress has been made with historical data compilation for key prospects. The compilation and georeferencing thereof included airborne geophysics, historic drill hole collars and data, geochemical (soils), trenching and historic geological mapping.

In 2010, Skyline completed a hand trenching and channel sampling program which included the excavation of seven hand trenches for a combined length of 131 metres. A total of eighty-five rock channel samples were collected from the trenches by continuous channel sampling. Note **Table 9-3**.

In 2011 an additional nine trenches were excavated for a combined length of 470 m^2 and a total of 151 samples, comprised of 21 channel, 78 block chip and 52 linear chip samples.

A total of seventy rock samples were collected along the Snip-Bronson Trend in 2011 as part of a prospecting program designed to locate, investigate and evaluate gold mineralization and mineralized geologic features.

A 2011 soil geochemistry program saw 35 samples collected at 25 metre intervals over two lines located 700 metres apart. The purpose of these samples was to characterize the response to soil geochemistry of the Snip-Bronson Trend.

The majority of historical soil sample results, from the Snip-Bronson Trend and the Johnny Mountain area, have been compiled for gold. These gold-in-soil results are illustrated on **Figure 9-6**. The warm colours beginning with yellow are in excess of 50 ppb gold. It is clear that an extremely large area of in-situ gold soil anomalies, in excess of 4 km in length, defines the Snip-Bronson Trend and drill results from 2009-2011 have defined extensive gold mineralization. Note **Item 10.0**.

Also, as part of the total Iskut Property soil compilation, **Figure 9-7** illustrates areas compiled to date. The gold-in-soil geochemistry for the Snip-Bronson Trend stands out as being higher in gold content than in other areas. However, significantly sized areas of gold anomalies define the Snip-North gold-copper porphyry mineralization and the many gold-bearing veins in the Bug Lake area. Note **Items 6.3** and **6.4**, respectively.

TABLE 9-3

SNIP-BRONSON TREND SIGNIFICANT TRENCH SAMPLE RESULTS

(UTM Zone 9, NAD 83)

Sample No.	Au (ppm)	Ag (ppm)	Cu %	Pb %	Zn %	Sample Type	Length (cm)	Width (cm)	Depth (cm)	Area	Easting	Northing	Elev.
DUPSP9-2-4	2.07	27.9	0.05	0.06	0.22	Linear Chip	50	5	4	Bronson Creek South	373419	6280833	673
DUPSP9-8-3	1.145	26.7	0.10	0.64	3.57	Linear Chip	100	4	2	Johnny Creek Area	373667	6280837	669
DUPSP9-8-7	2.35	18.8	0.11	0.11	0.36	Block Chip	20	20	5	Johnny Creek Area	373673	6280841	701
SP11-6-25-3	3.5	188	0.90	0.25	5.36	Block Chip	15	15	15	Fraser Creek	372565	6281915	313
SP11-6-25-5	12.55	122	0.34	0.12	0.19	Block Chip	15	15	15	Fraser Creek	372572	6281915	310
SP11-6-30-1	1.195	221	0.02	7.02	25.70	Block Chip	15	15	15	Johnny Creek Area	373725	6280796	609
SP 11-7-14-2	2.07	99	0.63	0.02	0.10	Block Chip	15	10	5	Bills Gully	372911	6281129	529
SP 11-7-25-1	2.4	65.9	0.02	0.14	0.13	Linear Chip	100	5	5	Big Slump Gully	372858	6281092	560
SP 11-7-25-5	2.9	28	0.06	0.16	0.51	Block Chip	15	15	10	Big Slump Gully	372843	6281092	560
SP 11-7-25-7	2.02	90.2	0.12	1.35	5.83	Linear Chip	50	15	10	Big Slump Gully	372843	6281092	560
SP11-7-5-1	3.06	17.4	0.01	0.01	0.00	Linear Chip	15	10	5	Big Slump Gully	372837	6281095	560
SP11-7-8-5	4.67	232	2.10	0.68	4.28	Linear Chip	100	10	4	Big Slump Gully	372858	6281092	590
M972302	2.5	256	0.28	0.19	0.28	Channel	100	5	4	Fuchsite Gully	373291	6280973	576
M972303	2.63	59.1	0.09	0.06	0.15	Channel	100	5	4	Fuchsite Gully	373290	6280973	578
M972304	5.91	147	0.69	0.13	0.26	Channel	100	5	4	Fuchsite Gully	373291	6280973	575
M972306	7.58	136	0.12	0.09	0.32	Channel	90	5	5	Fuchsite Gully	373290	6280976	575
M972310	5.18	266	0.75	0.59	1.01	Channel	100	6	2	Fuchsite Gully	373290	6280975	576
M972311	6.87	145	0.63	0.07	0.11	Channel	100	6	3	Fuchsite Gully	373292	6280975	575
M972313	8.53	56.3	0.03	0.04	0.84	Channel	110	5	4	Fuchsite Gully	373290	6280978	573
M972317	2.53	121	0.73	0.05	1.28	Channel	100	5	5	Fuchsite Gully	373290	6280977	574
M972318	3	296	0.30	0.16	0.34	Channel	100	5	4	Fuchsite Gully	373292	6280973	578

M972320	4.87	126	0.90	0.19	0.41	Channel				Fuchsite Gully	373291	6280975	577
SP11-8-9-10	4.22	70.1	0.03	0.08	2.94	Block Chip	15	5	10	Fuchsite Gully	373290	6280979	573
SP11-8-9-3	3.67	123	0.29	0.13	0.76	Linear Chip	100	4	4	Fuchsite Gully	373290	6280975	576
SP11-8-9-4	11.65	199	0.32	0.05	0.03	Block Chip	20	15	10	Fuchsite Gully	373290	6280977	575
SP11-8-9-5	9.98	70.7	0.04	0.03	0.06	Linear Chip	100	5	5	Fuchsite Gully	373290	6280977	575
SP11-8-9-6	5.73	153	0.28	0.04	0.06	Linear Chip	100	5	5	Fuchsite Gully	373290	6280977	575
SP11-8-9-9	3.15	62.8	0.11	0.02	0.15	Block Chip	40	50	10	Fuchsite Gully	373291	6280978	574
SpCe14-11-8-9-1	2.67	33.3	0.07	0.01	0.28	Block Chip	20	20	5	TrenchCE-14	373275	6281009	564
SpCe14-11-8-9-2	3.89	94.3	0.03	0.02	0.28	Block Chip	25	20	10	TrenchCE-14	373274	6281012	563
SP11-9-21-1	5.03	398	0.05	3.42	9.62	Block Chip	15	10	10	Mary-Ann Occurrence	372646	6281229	603
M972324	2.02	195	0.04	1.30	13.80	Block Chip	20	10	15	David Arthur Occurrence	372731	6281170	593
M972325	2.85	76.8	0.03	0.67	22.90	Block Chip	20	20	10	David Arthur Occurrence	372731	6281170	593
M972326	3.89	12.7	0.00	0.01	0.03	Block Chip	20	10	15	Stroke of Luck	373084	6281024	544
SP11-8-30-1	2.99	313	0.15	0.07	0.03	Block Chip	20	20	10	Upper Stairway Vein	375575	6279525	828
SP11-8-30-2	2.34	164	0.01	0.03	0.01	Block Chip	20	20	5	Upper Stairway Vein	375564	6279540	835
SP11-8-30-6	9.88	259	0.05	0.03	0.05	Block Chip	20	10	10	Upper Stairway Vein	375561	6279540	841
SP11-8-30-8	2.14	370	8.42	0.19	2.64	Block Chip	20	10	5	Lower Stairway Vein	375620	6279571	801

SIGNIFICANT SNIP-BRONSON PROSPECTING SAMPLES

Sample No	Au (ppm)	Ag (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)	Length (cm)	Width (cm)	Depth (cm)	Area	Easting	Northing	Elevation
BG 11-7-10A	3.3	202	15600	6480	49200	10	10	10	Bills Gully	372911	6281129	560
SP11-7-31-1	10.65	192	1815	415	770	15	10	5	Fuchsite Gully	373289	6280971	572
L991964	102	26.1	973	460	1105					373873	6280901	479
L991965	2.7	124	54000	98600	20900					372856	6281702	287
L991957	1.39	139	30100	70300	29900					372856	6281702	287
G024393	1.2	6.5	113	114	7				Ladder Creek Vein	375454	6279439	
L991963	2.99	54	1610	2820	1765				Bronson Creek South	373763	6280736	628

VLF – EM Ground Survey

A VLF EM-16 ground survey was carried out on the Snip-Bronson Trend during the summer of 2011. The survey was carried out as a prospecting tool to assist in identifying any structures that may represent the potential southeast extension of the Snip Mine structure. A Geonics VLF EM-16 receiver was used to carry out the VLF survey, with sample points taken at 10 meter stations along cut and chained grid lines. Two VLF stations were utilized and included NLK- Jim Creek. Washington, Frequency 24.8 kHz, and NML LaMour, North Dakota 25.2 kHz. A total of 3870 meters of VLF surveying was carried over 11 cut lines on the Bronson Slope soil grid. The results are illustrated on **Figure 9-8**.

The survey objectives included:

- To ground truth some anomalous airborne EM responses noted in preliminary data for the 2011 airborne Fugro survey.
- Ground follow up in search of a strike extension of the showing at Fuchsite Gully.
- Ground follow up to test response over soil grid line 26+00W in order to obtain a model response over a known showing and across a drilled horizon tested by drill holes SK09-01, -02 and SK10-01 to SK10-08 and SK10-11 to SK10-14.

The processed and filtered VLF data outlined anomalous trends that were followed-up by detailed ‘ground-truthing’ which consisted of prospecting and limited trenching. This effort was successful in extending known occurrences and also in identifying five new mineral occurrences that are on strike with the surface expression of the Snip Mine. These occurrences include:

- the Stroke of Luck Occurrence at the
    - o UTM locations 373,085E / 6,281,025N;
- Sandra Occurrence
    - o at 372,858 / 6,281,092N;
- David Arthur Occurrence
    - o at 372,731E / 6,281,170N,
- Leam Occurrence
    - o at 372,713E / 6,281,174N;
- Mary-Anne Occurrence
    - o at 372,646E / 6,281,229N.
- A southerly extension to the Fuchsite Gully prospect was also defined
    - o at 373,296E / 6,280,942N
- and several other weak conductors in the vicinity of soil grid line 26+00W that will require additional follow up work.

Borehole Pulse Electromagnetic Surveys (BPEM)

In 2011 Skyline commissioned Crone Geophysics & Exploration Ltd., based out of Mississauga, Ontario to complete geophysical services on Skyline’s Iskut, British Columbia property. The services included providing one operator and one helper to complete down hole geophysics, involving 3D Borehole Pulse EM (BPEM) geophysics for all 2011 drill holes, and one historical drill hole completed by Spirit Bear Minerals in 2007.

Skyline exploration staff laid out the loop arrays after the drill holes were completed, and prior to the arrival of the Crone crew. The Crone crew walked the loops to record the UTM coordinates of the loop, and to ensure the cable was in good condition, and properly connected. The surface loop arrays ranged in size from 200 x 400 metres to 400 x 600 metres, and the 2011 drill holes were lined with plastic pipe prior to running the 3D survey instruments down the drill holes

The three 2011 drill holes tested with BPEM include: SK11-19, -20 and -21, while the historical drill hole used to run the BPEM survey was SB07-02. Drill hole SB07-02 was drilled by Spirit Bear Minerals Ltd. in 2007 in an attempt to reach the structure that hosted Snip Gold Mine. The hole was abandoned at 1,038m, before it reached its target depth due to excessive deflection of the hole, and other technical problems. The Borehole Pulse EM Z survey in hole SB07-02 was able to read to a depth of 1,000 metres, and the XY survey to 980 metres. The surveys were short of the entire depth of the drill hole possibly due to caving of wall rock material into the drill hole, or possibly cable stretch and depth counter issues. The BPEM down hole surveys consists of two independent surveys, the first is referred to as the Z-Probe survey and the second is termed the XY-Probe survey.

The Z-Probe was used as a 'first pass' survey to detect any 'in-hole','off-hole', or inhole/offhole conductive anomalies, and to provide information on potential size, conductivity and distances to the edge of offhole conductive anomalies. Upon completion of the Z survey and retrieval of that probe, the XY-Probe was then lowered down the drill hole. The 'second pass' XY-Probe detects and provides information as to the direction to the near edge of offhole conductive bodies relative to any offhole conductors detected by the Z-Probe.

The use of the BPEM survey was intended to test the effectiveness of using the Crone system to define and vector towards drill targets, and potentially allow for vectoring of additional exploration and/or drilling. The survey produced excellent results. Most notably the results of SB07-02, in the opinion of Skyline's exploration staff, were of greatest interest, along with results from SK11-20 and 21. Note **Figure 9-9**.

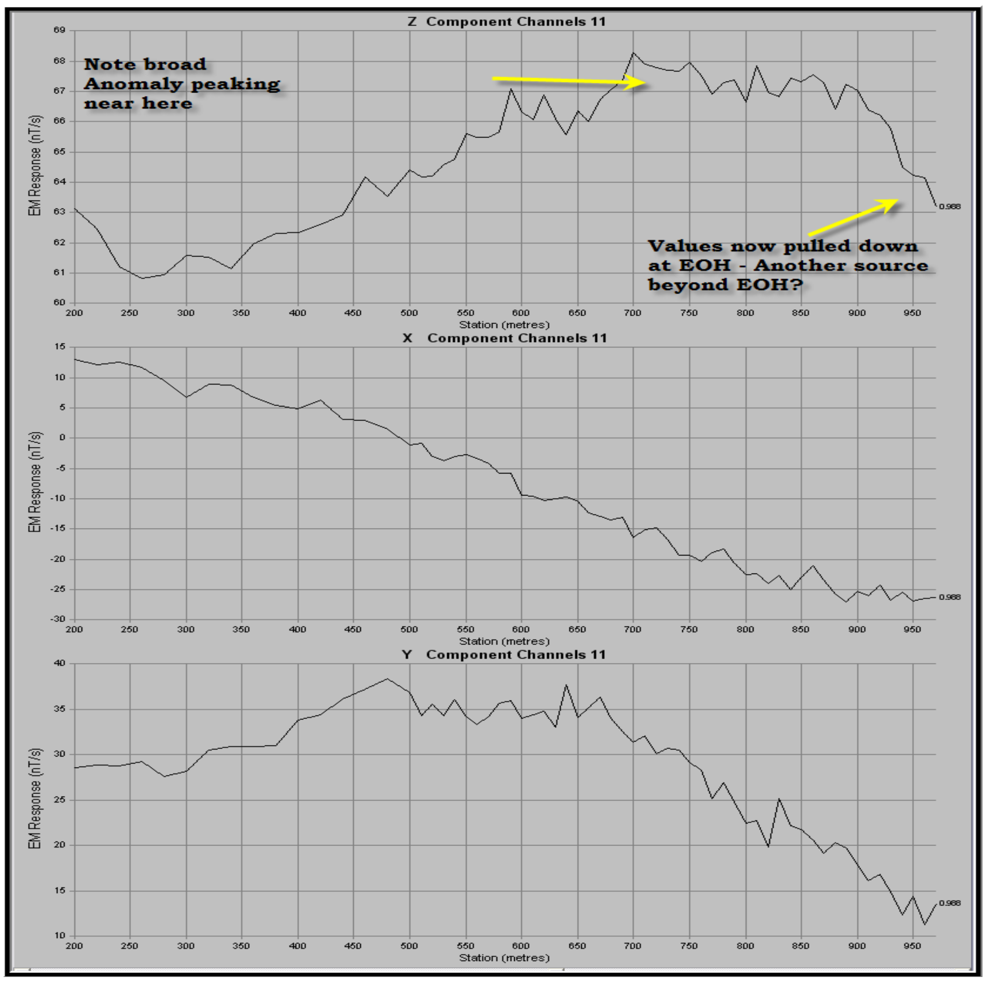


FIGURE 9-9
Hole SB07-02 Channel 11 With Interpretation
(from Crone, 2011)

Aside from a number of in-hole responses, the interpretation of the SB07-02 survey results indicates a strong conductive source beyond the end of the drill hole. It should also be noted that the drill hole was originally drilled to test the potential for the down dip extension of the Snip Gold Mine structure.

The deeper portion of hole SB07-02 is anomalous in the Z component response. This anomalous feature could be due to a conductive source located beyond the end-of-hole ("EOH"). The X component response for hole SB07-02 was still increasing at the EOH. A complete profile could not be achieved due the hole not be drilled deep enough. The interpretation suggests that the conductive source detected in SB07-02 may be centred above the drill hole or ahead of the drillhole. Structural interpretation from Snip Mine data, as well as mineralogical alteration evidence from core, and the results of the BPEM survey, suggest the presence of a mineralized structure or lithological unit may be within 100-200m of the EOH. The anomalous BPEM response in hole SB07-02 warrants follow up work.

9.5 Gorge-Gregor Area

One historic trench in the Gorge-Gregor area was selected for a more detailed re-examination in 2011, requiring clearing of thick overgrowth and cleaning of bedrock surfaces. A total of 7 rock samples were collected from the Gorge Showing area including 2 select samples and 5 linear chips. Samples were generally taken in close proximity to historic sample locations as indicated by sample numbers written on flagging tape.

Item 6.2 documents the exploration history and the significance of the Gorge showing whereas **Item 7.2** documents the geology and style of gold mineralization present here. There exists the potential for high-grade gold mineralization associated with sulphide mineralization, and a single drill hole with a BPEM survey is contemplated for 2012. The BPEM survey could assist with defining the conductance of the mineralized horizons, as well as potentially provide guidance and vectoring for additional drilling.

Appendix B documents the compilation of historical drilling and the respective historical gold soil sampling results are illustrated in **Figure 9-7.**

9.6 Bug Lake

A total of 1,915 soil samples were collected in the Bug Lake area in 2011. Samples were taken at 20 meter intervals on flagged lines spaced 50 meters apart. An additional 49 soil samples were taken from four short contour soil lines at the western margin of the Bug Lake Property in the Boot Hill Area. These results are currently being compiled.

The 2011 soil sampling program was designed to confirm and ground-truth historic gold-in-soil geochemical anomalies and locate and new anomalies that may require further follow up prospecting and/or trenching.

A number of gold anomalies were detected across the Bug Lake area, including various single station anomalies as well as larger clusters of 15+ sample stations. Anomalous results are presented in **Table 9-4.** The soil samples collected along grid lines were treated separately from contour samples in all statistical reviews in calculating the various percentiles used to help define anomalous samples.

Nine new trenches were excavated in the Bug Lake area in 2011, in an attempt to expose or extend exposure of vein and shear structures in Boot Hill, No. 7 Vein and the newly discovered Stanley Vein areas.

In addition, sixteen historic trenches were re-excavated for a more detailed re-examination, requiring clearing of thick overgrowth and cleaning of bedrock surfaces. A total of 215 channel samples were submitted for analysis.

A total of 461 rock samples were collected in 2011 in the Bug Lake area as part of a prospecting program designed to locate, investigate and evaluate mineralization and mineralized geologic features.

TABLE 9-4

MULTI-STATION AU IN SOIL ANOMALIES

Anomaly	Location		No. Samples	Anomalous Trace Metals	Avg. Au (ppm)	Notable Samples	Au (ppm)
A	16+50W - 18+50W	13+40S - 16+80S	16	Au, Ag, Bi, Cd, Co, Cr, Cu, Fe, Pb, Zn	0.194	L991290	1.050
B	10+50W - 14+00W	10+40S - 14+40S	13	Au, Ag, Bi, Cd, Co, Cr, Cu, Fe, Pb, Zn	0.239	L991451	0.634
C	13+00W - 14+50W	10+40S- 11+60S	4	Au, Co, Cr, Fe, Cu, Zn	0.185	L991421	0.264
D	8+50W - 10+50W	9+60S - 12+20S	12	Au, Ag, Co, Cr, Cu, Pb, Zn	0.244	G024483	0.621
E	15+50W - 16+00W	5+60S- 6+00S	2	Au, Au, Bi, Pb, S	0.421	M972010	0.706
F	16+50W	5+60S - 6+00S	3	Au, Cu	0.443	L991474	0.943
G	8+50W - 9+00W	1+80S - 2+00S	2	Au, Cr, Pb	0.284	G023823	0.369
H	2+50W - 3+50W	1+00S - 4+00S	5	Au, Ag, Bi, Fe, Pb, Zn	0.166	G023774	0.294
I	2+00W - 3+00W	0+00N - 0+40N	3	Au, Ag, Bi, Cd, Zn	0.178	G023829	0.285
J	4+00W	0+80N- 1+00N	2	Au, Ag,	0.449	G024280	0.752
Contour	Boot Hill		21	Au, Ag, Bi, Cd, Co, Cr, Cu, Fe, Pb, Zn	0.823	G023604	8.6

*Anomalous is defined as above the 95th percentile

Nine new trenches were excavated in the Bug Lake area in 2011, in an attempt to expose or extend exposure of vein and shear structures in Boot Hill, No. 7 Vein and the newly discovered Stanley Vein areas.

In addition, sixteen historic trenches were re-excavated for a more detailed geological examination, requiring clearing of thick overgrowth and cleaning of bedrock surfaces. A total of 215 channel samples were submitted for analysis.

The structural controls hosting the gold mineralization at Bug Lake have been reinterpreted through the mapping efforts of Dr. John Fedorowich of Itasca Consulting Canada Inc. and this work is in progress. This new work highlights the inter-relationship between two dominant intersecting structural trends in controlling Au mineralization. Extensional zones of quartz veining with roll-overs from steep to flat are controlled by the two interactive gold-bearing fault sets. Incorporation of the recently flown airborne geophysical survey is expected to help define the projection of these gold-bearing fault sets along strike and down dip.

The 2011 Bug Lake exploration program was designed to locate, validate and explore the strike extents of trenches initially excavated in the late 1980's. A total of 461 rock samples were collected at Bug Lake in 2011. Of these samples, 5 samples have assayed greater than 50 g/t gold and 19 samples have assayed between 50 g/t and 10 g/t gold. The Bug Lake area hosts seventeen know gold showings, nine of which have been located and re sampled in the 2011 exploration program. Assay results are illustrated in **Figures 9-10 to 9-12** illustrating geology and assay results for the Swamp vein, No. 7 vein and a new vein discovery from trench TrBL11-01.

The 2011 Bug Lake exploration program has been successful in confirming the high-grade gold values historically reported and the new geological understanding of the structural controls helps to explain the limited success in historic drill programs. Once the airborne data is fully integrated into the geological interpretation, a program of field work will be designed to focus on follow up exploration at Bug Lake.

Future Bug Lake exploration should focus on mapping and sampling the extent, as well as the periodicity of these intersecting structures. Skyline anticipates completing a LiDar survey as part of the 2012 program and this survey should be incorporated into the structural interpretation on the controls of mineralization.

In summary the placement of grids, surveying, collection of the soil samples, the extensive geological mapping, the location of the drill holes, the drill hole orientations, the analyses, and the collection and analyses of core samples appears to be to good industry standards.

9.7 Sampling Methods

Skyline has implemented standardized sampling protocol for the various field programs, to ensure the collection of reliable data that is non-biased and representative of the local geology. Sampling methodology is described below for the relevant sampling campaigns.

Soil Geochemistry

Soil samples are taken at 20m intervals along flagged lines, typically spaced 50m apart at an orientation perpendicular to the regional geology and known mineralization trends. The sample site is surveyed using a handheld Garmin 62S GPS, and the location is also recorded in a field notebook along with other field notes such as the depth, horizon, colour and grain size of the soil being sampled. Soil is extracted for sampling using "Dutch augers"; a twisted steel blade tool attached to a 1.2m long T-handle. The tool augers a 7cm diameter hole through soil, recovering a relatively undisturbed sample of the material penetrated in approximately 15cm increments. The Dutch auger performs very well in the heavily root penetrated type of soil common on the Property.

Every attempt is made to collect the sample to represent a relatively well developed "B" soil horizon, which generally occurs at a depth of 15cm to 25cm below surface. Approximately 0.3kg of "B" horizon soil is placed in numbered Kraft sample bags in the field. All samples are laid out and air dried once back in camp.

As part of Skyline's ongoing Quality Assurance/Quality Control, sample numbers ending with the numerals 33, 66 and 99 are left un-sampled in the field, and standardized samples get inserted at the un-sampled sample numbers under controlled conditions in camp, typically whilst preparing the samples for shipment to the preparation laboratory. Standards used are CDN-CGS-13, CDN-CGS-15 (standardized for gold and copper) and OREAS 151a (standardized for gold, copper, molybdenum and sulphur).

Samples are packed in sealed poly-woven sacks with a full sample listing and work order and flown from the Bronson Airstrip at camp to either the Smithers Airport and received by the Company's expeditor, or flown to a locked sea can storage facility at a staging site monitored by the helicopter company and then collected by the Company`s expeditor. The samples are subsequently delivered to the sample preparation lab, ALS Chemex in Terrace, BC.

Trenching

Trench locations are chosen to investigate mineral occurrences identified by geologic and prospecting investigation, often following up on soil geochemical, or either airborne or ground geophysical responses.

Vegetation at the new trench locations typically comprises of a thick growth of ferns, salmonberry, slide alder and devil's club. The overgrowth is first cut away to expose the trench outlines, then soil is removed by hand methods and the bedrock is then rinsed clean using a Wajax trenching pump and local sources of water.

The newly exposed trench locations are surveyed using a Topcon GRS-1 GPS receiver.

The trenches are mapped and channel sampled using a Husqvarna portable rock saw equipped with a diamond impregnated blade. Two parallel cuts are made in the rock approximately 2 to 4cm apart to a depth of approximately 3cm, and sample material is then removed from the area between the cuts using a chisel and hammer. Sample channels are generally oriented at right angles to the mineralized structures; and sample lengths vary from approximately 0.1m to 2.0m depending on the width of the mineralized structure.

Sample material is placed in 12mil thick plastic sample bags. The sample bags are pre-numbered to match the numbers on pre-printed, three part, Tyvek tag sample booklets received from the analytical laboratory. One part is affixed to the trench at the location of the sample, the second part is placed in the sample bag for lab use and the third part remains in the book for permanent record within the project database. The field site is also marked by an aluminum tag with the sample number scribed onto it. The tag is nailed to the outcrop at the location the sample was collected.

Details regarding date and location are written on the sample stubs and samplers' notes are kept in waterproof field books using the sample booklet numbers for sample identification.

As part of Skyline's ongoing Quality Assurance/Quality Control for trench samples, sample numbers ending with the numerals 33, 66 and 99 are left un-sampled in the field, and standardized samples get inserted at the positions of the un-sampled sample numbers under controlled conditions in camp, typically whilst preparing the samples for shipment to the preparation laboratory. Standards used are CDN-CGS-13, CDN-CGS-15 (standardized for gold and copper) and OREAS 151a (standardized for gold, copper, molybdenum and sulphur).

Samples are packed in sealed poly-woven sacks with a full sample listing and work order and flown from the Bronson Airstrip at camp to either the Smithers Airport and received by the Company's expeditor, or flown to a locked sea can storage facility at a staging site monitored by the Helicopter company and then collected by the Company`s expeditor. The samples are subsequently delivered to the sample preparation lab, ALS Chemex in Terrace, BC.

Prospecting – Rock Samples

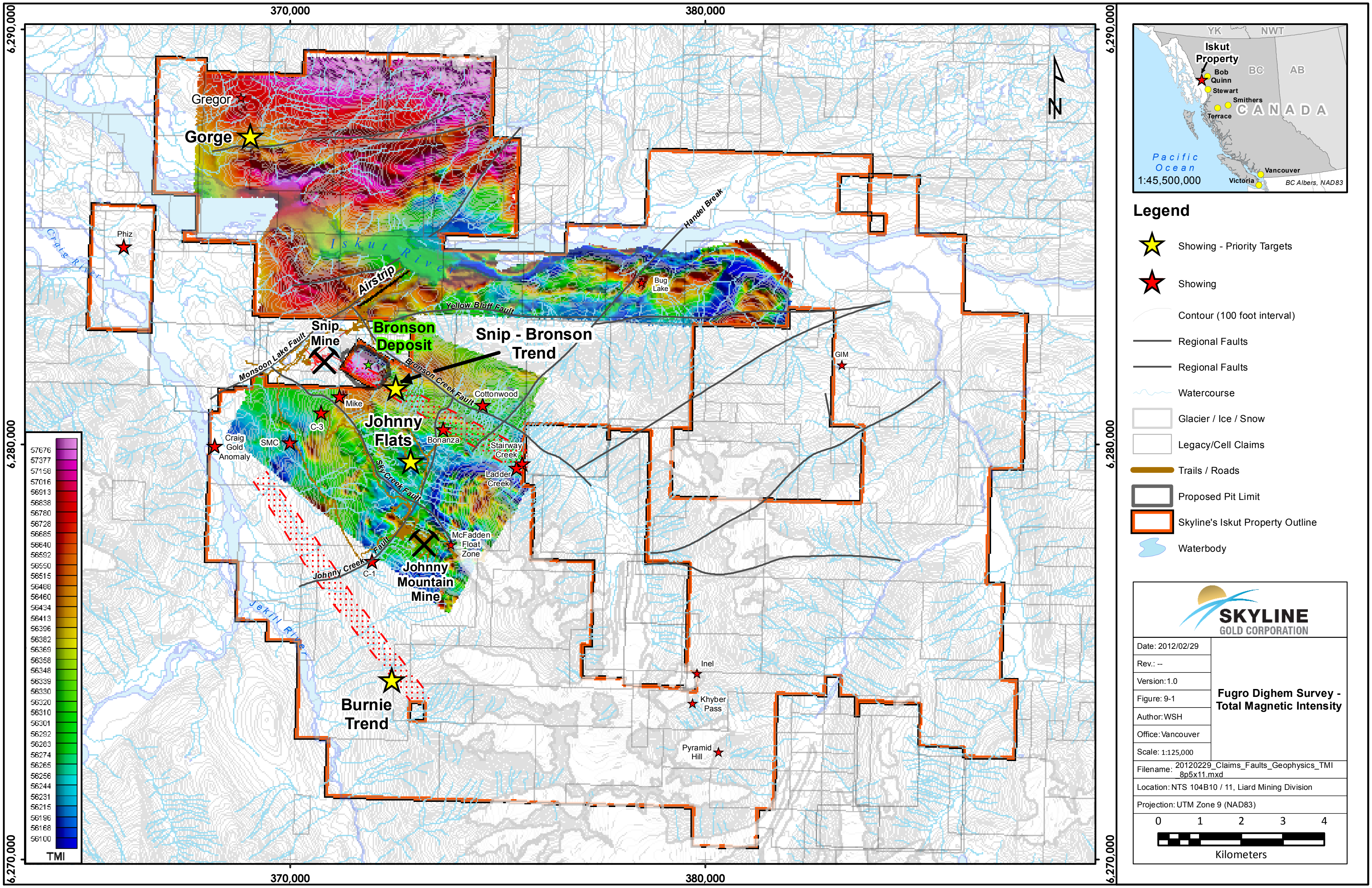
Rock samples collected on traverses fall into the following categories, arranged in order of increasing reliability:

- Select: also called "specimen," "typical" and "grab" samples, select samples comprise one or several pieces of rock from an outcrop or float area that either represent an area no larger than the specimen itself, or are taken in such a directed fashion as to exclude non-mineralized rock and to represent only the mineralized portion of the rock.
- Discontinuous Chip: the sample comprises chips taken discontinuously but regularly along a line the dimensions of which are stated in accompanying notes.
- Chip Panel: also called "block chip", the sample comprises chips taken at regular intervals to represent a polygonal area, the dimensions of which are stated in accompanying notes.
- Continuous Chip: also called "linear chip" or "chip channel", the sample comprises chips taken in a manner to represent an approximately continuous line of chips along a linear dimension which is stated in accompanying notes.

Sample material is placed in 12mil thick plastic sample bags. The sample bags are pre-numbered to match the numbers on pre-printed, three-part, Tyvek tag sample booklets dispensed by the analytical laboratory. One part is affixed to the rock source at the location of the sample, the second part is placed in the sample bag for lab use and the third part remains in the book for permanent record within the project database. The field site is also marked by an aluminum tag nailed to the outcrop. Details regarding date and location are written on the sample stubs and samplers' notes are kept in waterproof field books using the sample booklet numbers for sample identification.

As part of Skyline's ongoing Quality Assurance/Quality Control, sample numbers ending with the numerals 33, 66 and 99 are left unsampled, and standardized samples get inserted at the unsampled numbers under controlled conditions in camp, typically whilst preparing the samples for shipment to the preparation laboratory. Standards used are CDN-CGS-13, CDN-CGS-15 (standardized for gold and copper) and OREAS 151a (standardized for gold, copper, molybdenum and sulphur).

Samples are packed in sealed poly-woven sacks with a full sample listing and work order and flown from the Bronson Airstrip at camp to either the Smithers Airport and received by the Company's expeditor, or flown to a locked sea can storage facility at a staging site monitored by the Helicopter company and then collected by the Company`s expeditor. The samples are subsequently delivered to the sample preparation lab, ALS Chemex in Terrace, BC.



370,000
380,000
6,290,000
6,280,000
6,270,000
Gregor
Gorge
Phiz
Craig River
Iskut River
Airstrip
Yellow Bluff Fault
Handel Break
Bug Lake
Snip Mine
Bronson Deposit
Snip - Bronson Trend
Monsoon Lake Fault
Bronson Creek Fault
Mike
C-3
Johnny Flats
Cottonwood
Bonanza
Craig Gold Anomaly
SMC
Stairway Creek
Ladder Creek
Sky Creek Fault
McFadden Float Zone
Johnny Creek Fault
C-1
Johnny Mountain Mine
Jekill River
Burnie Trend
GIM
Inel
Khyber Pass
Pyramid Hill
N
TMI
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57377
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56215
56196
56168
56100
YK
NWT
Iskut Property
Bob Quinn
Stewart
Smithers
Terrace
BC
AB
CANADA
Pacific Ocean
Vancouver
Victoria
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BC Albers, NAD83
Legend
Showing - Priority Targets
Showing
Contour (100 foot interval)
Regional Faults
Regional Faults
Watercourse
Glacier / Ice / Snow
Legacy/Cell Claims
Trails / Roads
Proposed Pit Limit
Skyline's Iskut Property Outline
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SKYLINE GOLD CORPORATION
Date: 2012/02/29
Rev.: --
Version: 1.0
Figure: 9-1
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Office: Vancouver
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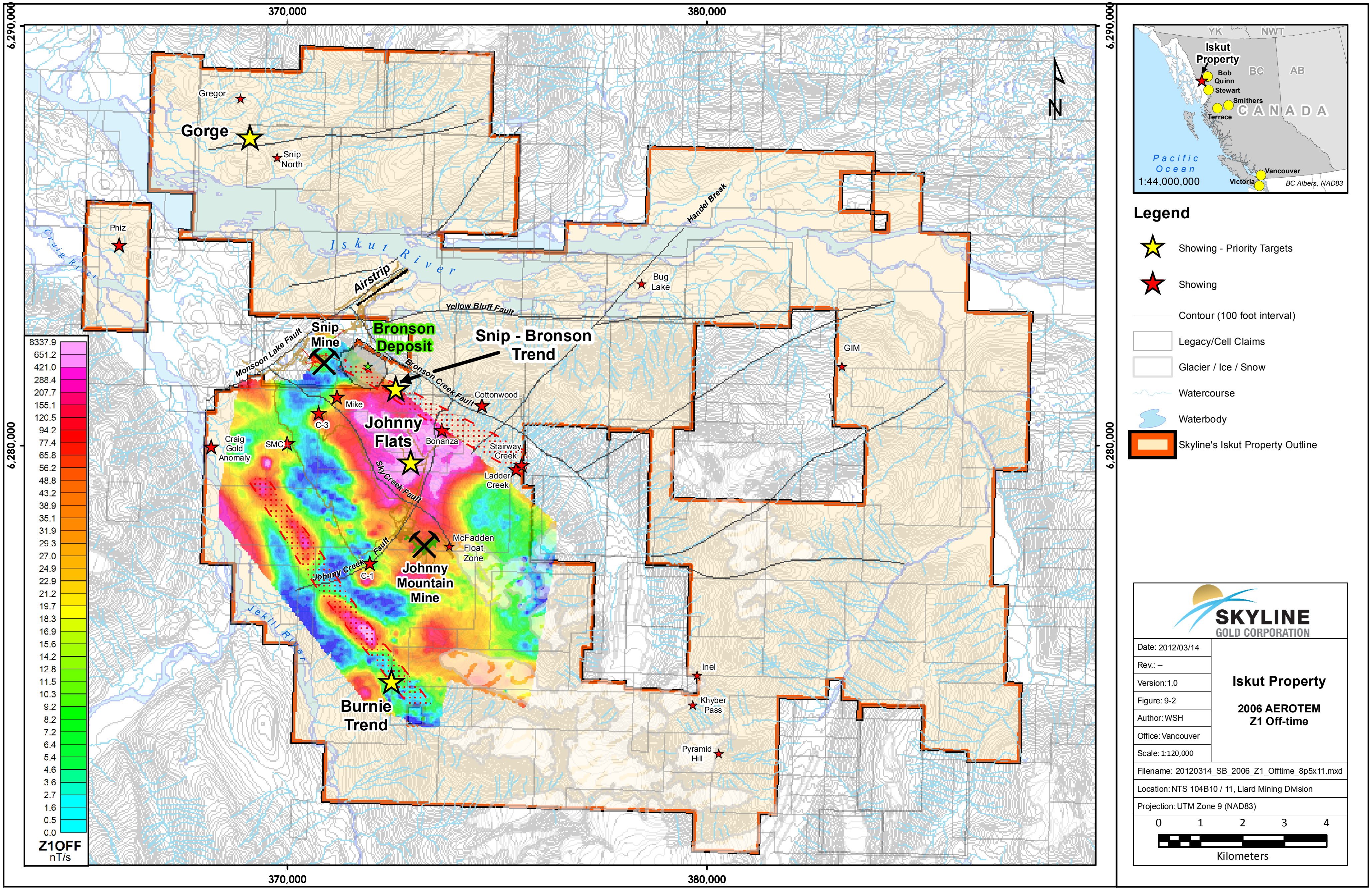
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Gregor
Gorge
Snip North
Phiz
Craig River
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Airstrip
Bug Lake
Handel Break
Yellow Bluff Fault
Snip Mine
Bronson Deposit
Snip - Bronson Trend
Monsoon Lake Fault
Bronson Creek Fault
GIM
Mike
C-3
Cottonwood
Johnny Flats
Bonanza
Craig Gold Anomaly
SMC
Stairway Creek
Ladder Creek
Sky Creek Fault
McFadden Float Zone
Johnny Creek Fault
C-1
Johnny Mountain Mine
Jekill River
Burnie Trend
Inel
Khyber Pass
Pyramid Hill
N
8337.9
651.2
421.0
288.4
207.7
155.1
120.5
94.2
77.4
65.8
56.2
48.8
43.2
38.9
35.1
31.9
29.3
27.0
24.9
22.9
21.2
19.7
18.3
16.9
15.6
14.2
12.8
11.5
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9.2
8.2
7.2
6.4
5.4
4.6
3.6
2.7
1.6
0.5
0.0
Z1OFF
nT/s
YK
NWT
Iskut Property
Bob Quinn
Stewart
Smithers
Terrace
BC
AB
CANADA
Pacific Ocean
Vancouver
Victoria
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BC Albers, NAD83
Legend
Showing - Priority Targets
Showing
Contour (100 foot interval)
Legacy/Cell Claims
Glacier / Ice / Snow
Watercourse
Waterbody
Skyline's Iskut Property Outline
SKYLINE
GOLD CORPORATION
Date: 2012/03/14
Rev.: --
Version:1.0
Figure: 9-2
Author: WSH
Office: Vancouver
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Projection: UTM Zone 9 (NAD83)
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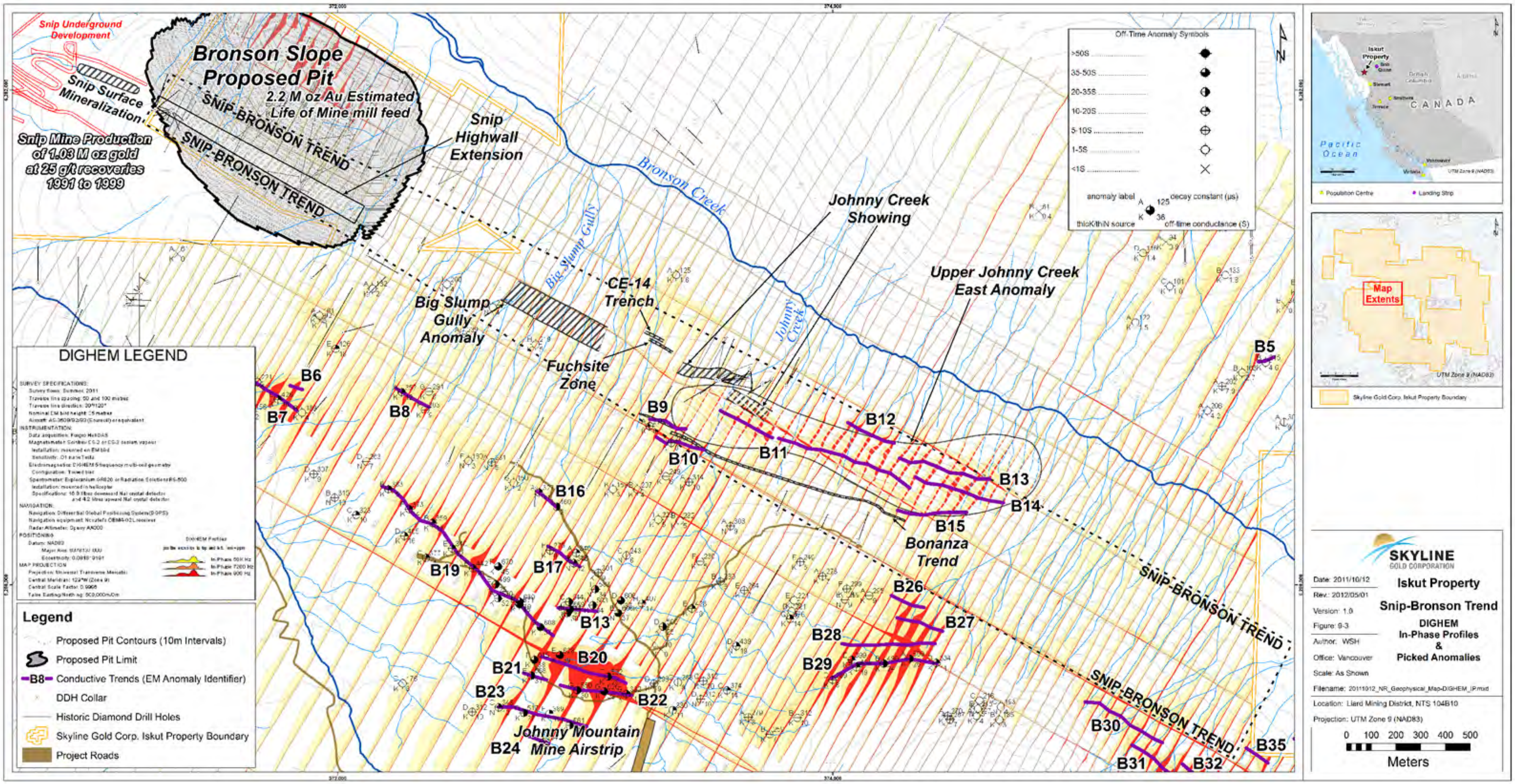
Kilometers



Snip Underground Development
Bronson Slope Proposed Pit
2.2 M oz Au Estimated Life of Mine mill feed
Snip Surface Mineralization
SNIP-BRONSON TREND
SNIP-BRONSON TREND
Snip Mine Production of 1.03 M oz gold at 25 g/t recoveries 1991 to 1999
Snip Highwall Extension
Bronson Creek
Big Slump Gully
Johnny Creek Showing
Upper Johnny Creek East Anomaly
CE-14 Trench
Big Slump Gully Anomaly
Fuchsite Zone
Johnny Creek
Bonanza Trend
Johnny Mountain Mine Airstrip
SNIP-BRONSON TREND
SNIP-BRONSON TREND
B5
B6
B7
B8
B9
B10
B11
B12
B13
B14
B15
B16
B17
B19
B13
B20
B21
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Legend
Proposed Pit Contours (10m Intervals)
Proposed Pit Limit
B8 Conductive Trends (EM Anomaly Identifier)
DDH Collar
Historic Diamond Drill Holes
Skyline Gold Corp. Iskut Property Boundary
Project Roads
Pacific Ocean
CANADA
Map Extents
Skyline Gold Corp. Iskut Property Boundary
SKYLINE GOLD CORPORATION
Date: 2011/10/12
Rev.: 2012/05/01
Version: 1.0
Figure: 9-3
Author: WSH
Office: Vancouver
Scale: As Shown
Iskut Property
Snip-Bronson Trend
DIGHEM In-Phase Profiles & Picked Anomalies
Filename: 20111012_NR_Geophysical_Map-DIGHEM_IP.mxd
Location: Liard Mining District, NTS 104B10
Projection: UTM Zone 9 (NAD83)
0 100 200 300 400 500
Meters

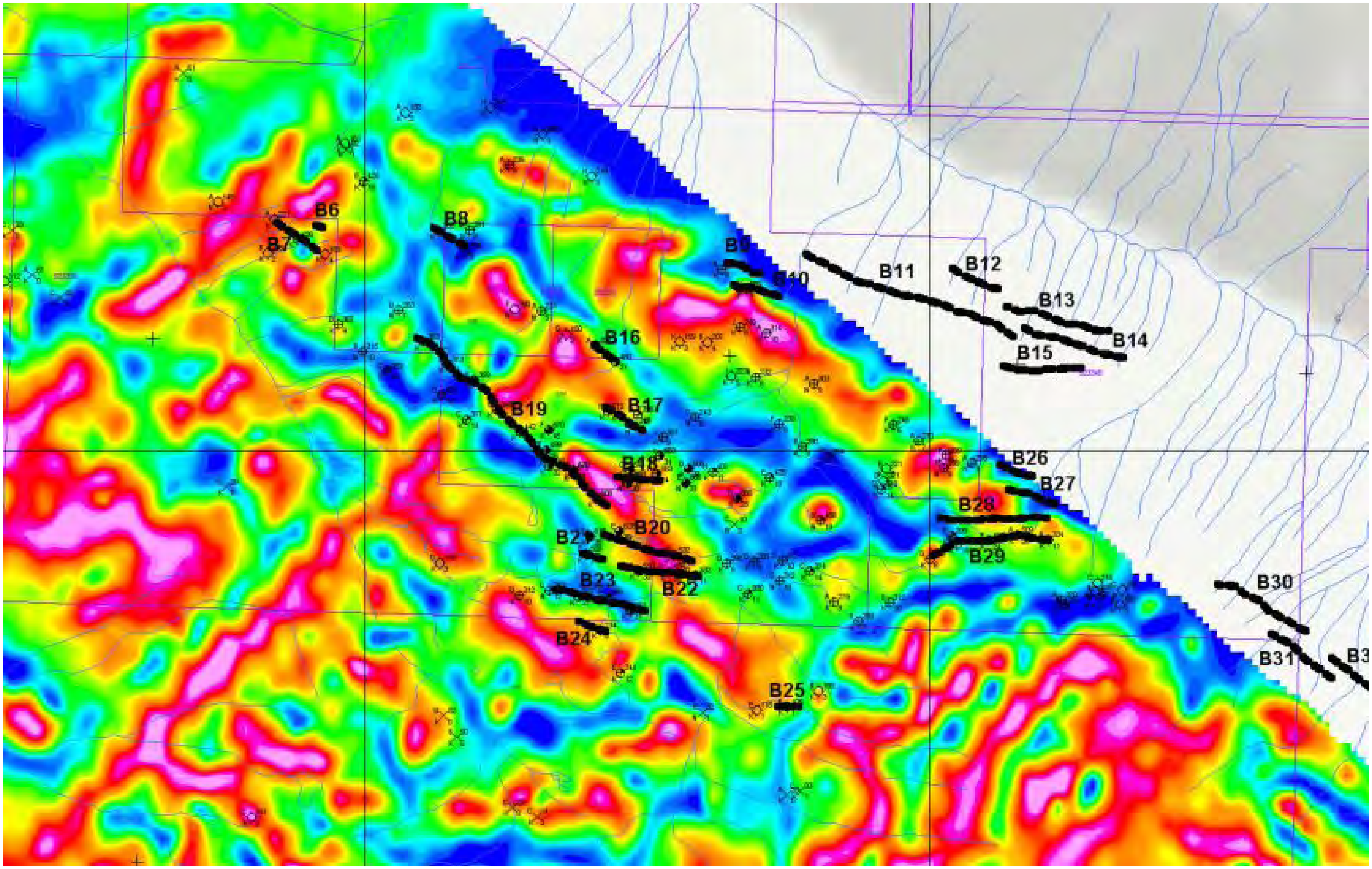
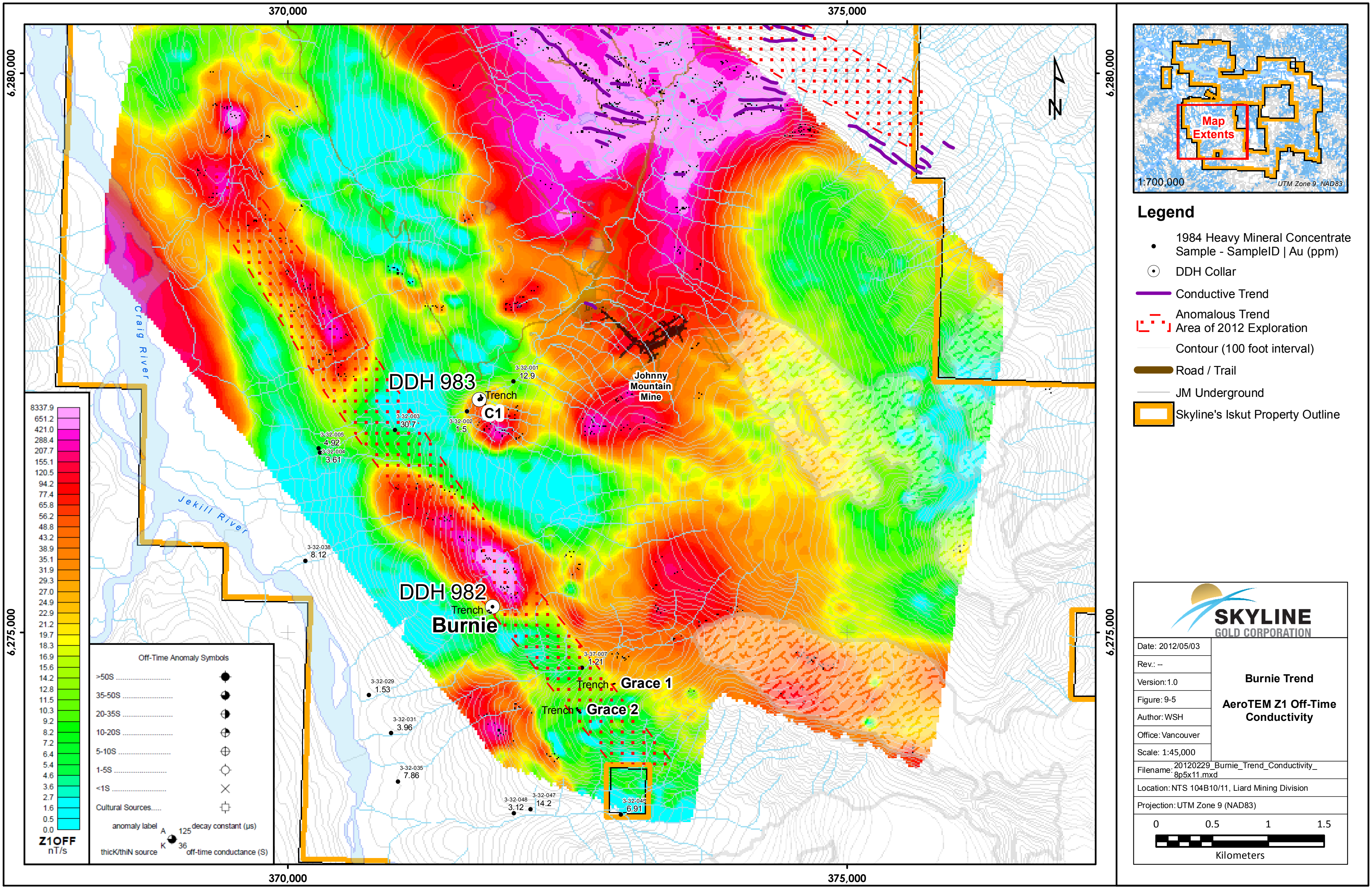
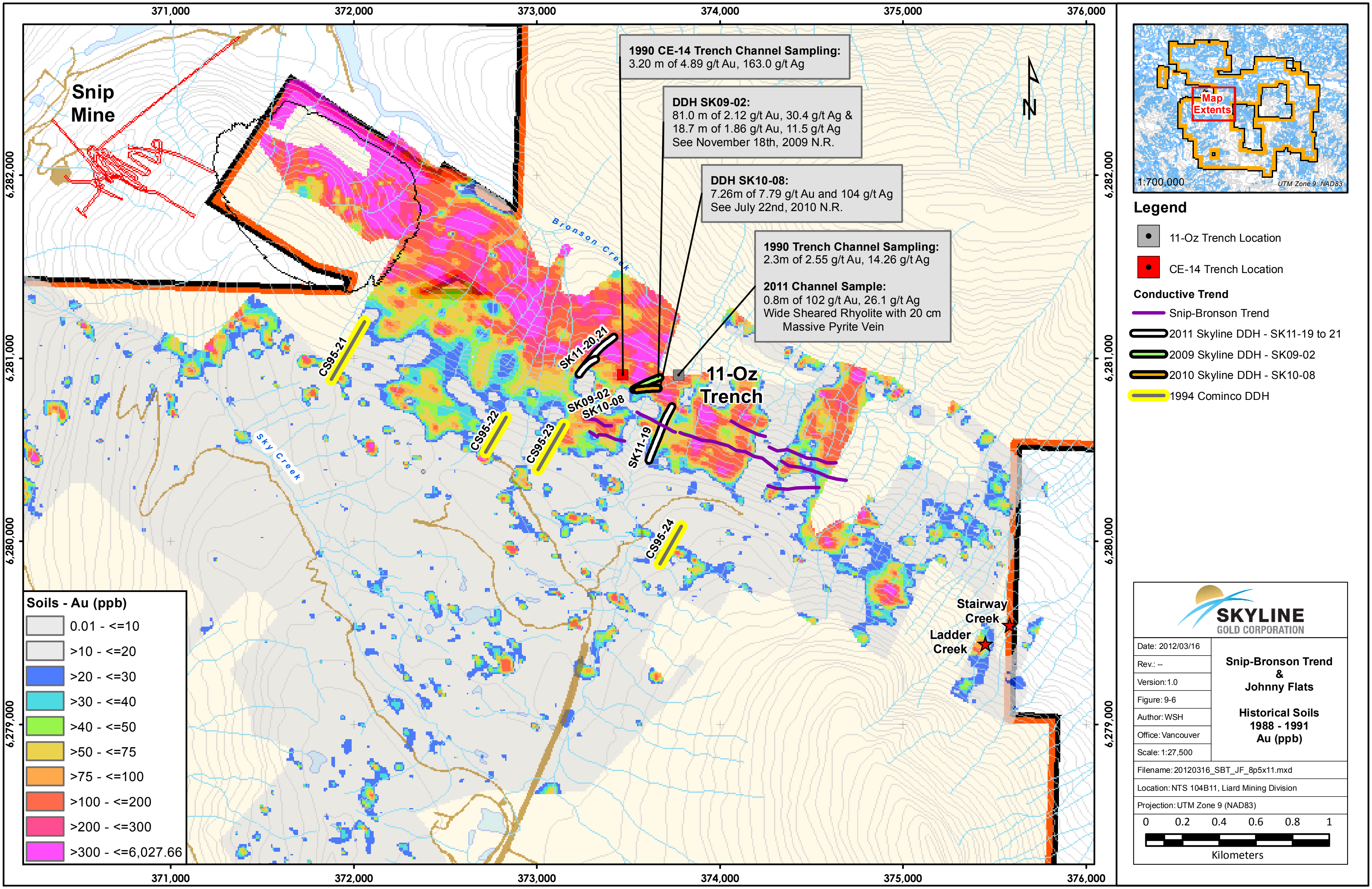


Figure 9-4: Aerotem II Magnetic Tilt and EM trends

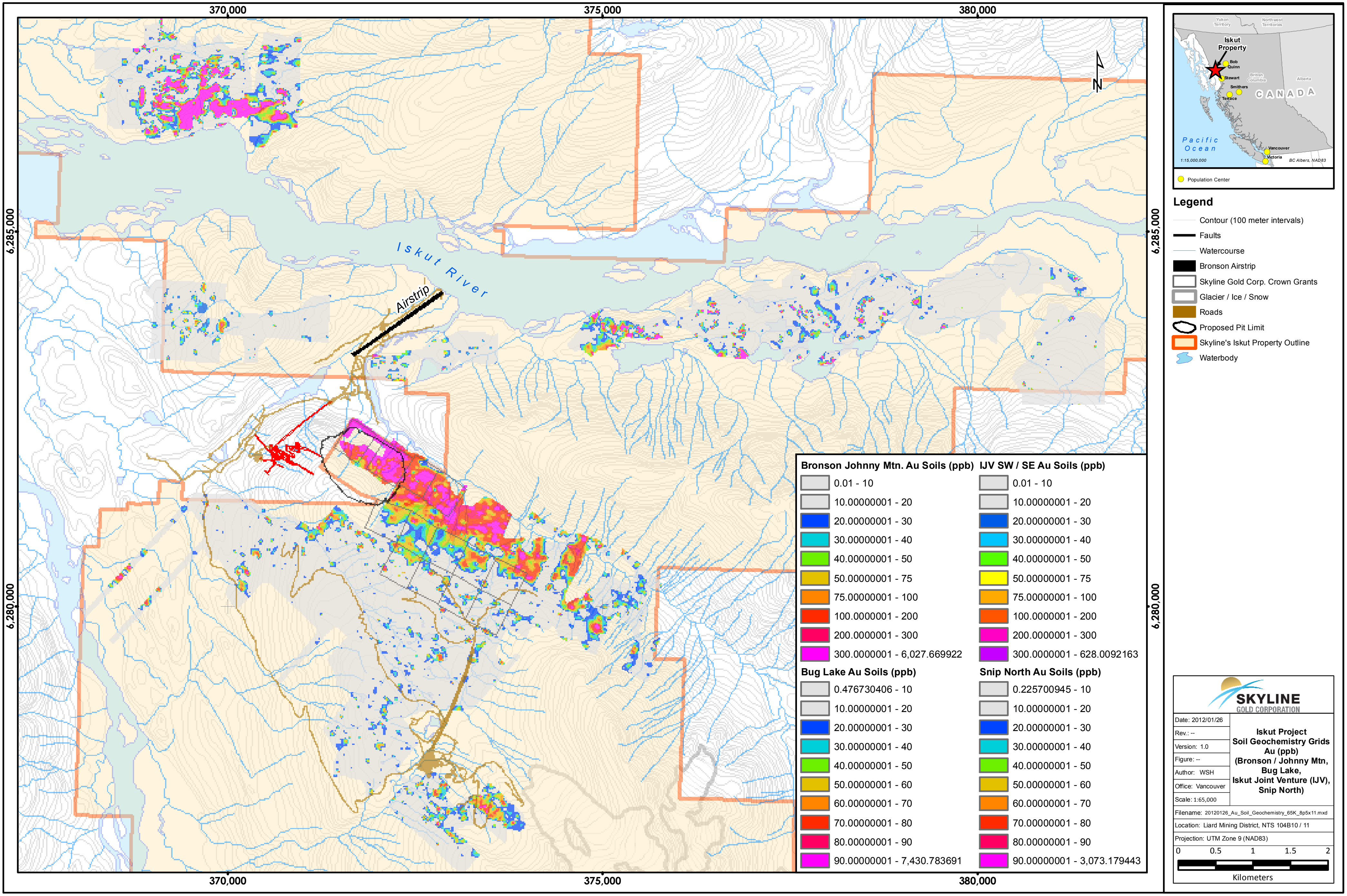
Source: Report on Bronson Slope work requested by Skyline Gold Corp. on and after a meeting in Vancouver on Nov. 22, 2011 M. Zang, Dec. 08, 2011



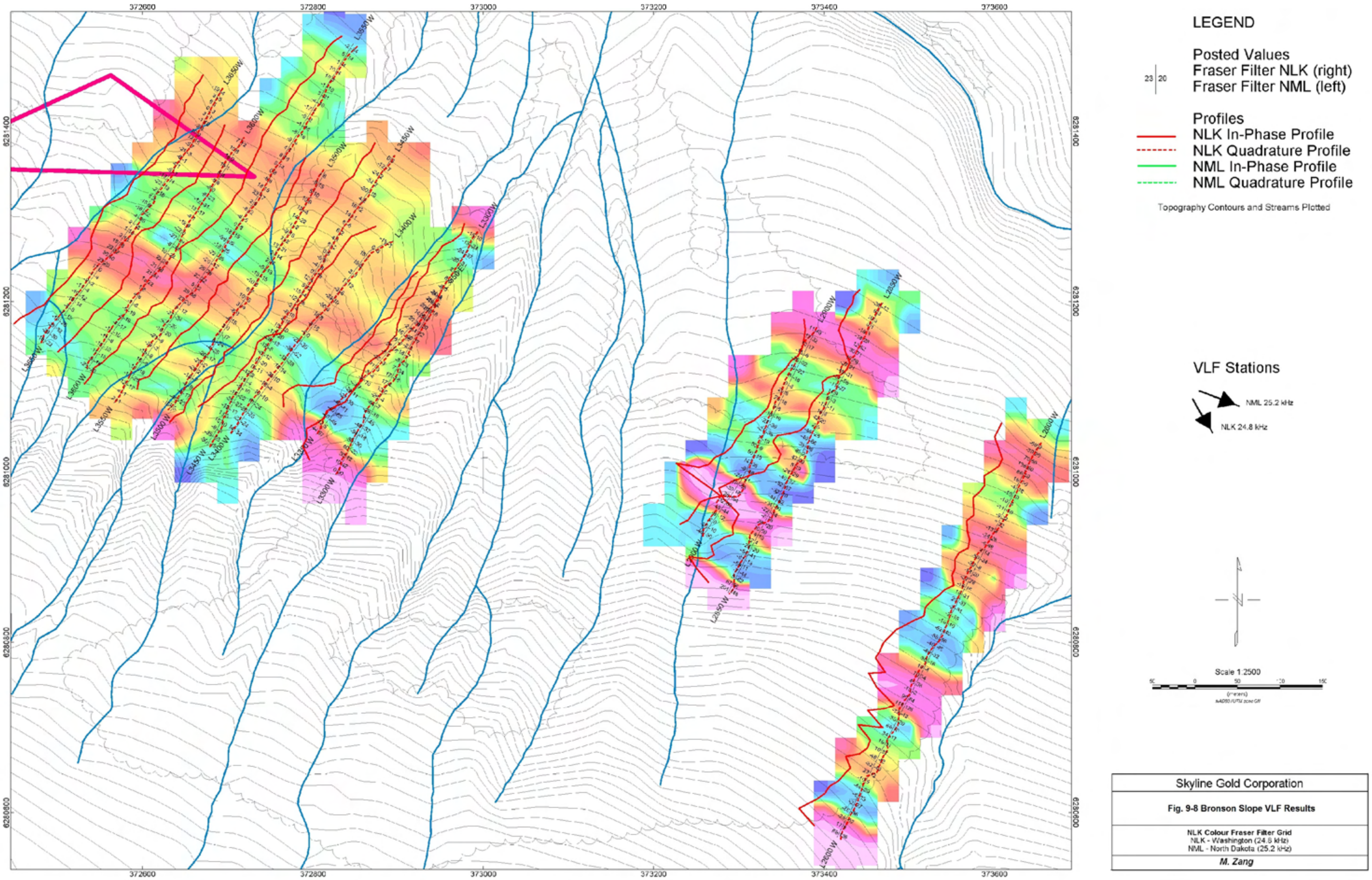
370,000
375,000
6,280,000
6,275,000
Map Extents
1:700,000
UTM Zone 9, NAD83
Legend
1984 Heavy Mineral Concentrate Sample - SampleID | Au (ppm)
DDH Collar
Conductive Trend
Anomalous Trend
Area of 2012 Exploration
Contour (100 foot interval)
Road / Trail
JM Underground
Skyline's Iskut Property Outline
DDH 983
Trench
C1
DDH 982
Trench
Burnie
Trench
Grace 1
Trench
Grace 2
Johnny Mountain Mine
Craig River
Jekill River
3-32-001
12.9
3-32-003
30.7
3-32-002
1.5
3-32-005
4.92
3-32-004
3.61
3-32-038
8.12
3-37-007
1.21
3-32-029
1.53
3-32-031
3.96
3-32-035
7.86
3-32-048
3.12
3-32-047
14.2
3-32-045
6.91
8337.9
651.2
421.0
288.4
207.7
155.1
120.5
94.2
77.4
65.8
56.2
48.8
43.2
38.9
35.1
31.9
29.3
27.0
24.9
22.9
21.2
19.7
18.3
16.9
15.6
14.2
12.8
11.5
10.3
9.2
8.2
7.2
6.4
5.4
4.6
3.6
2.7
1.6
0.5
0.0
Z1OFF
nT/s
Off-Time Anomaly Symbols
>50S
35-50S
20-35S
10-20S
5-10S
1-5S
<1S
Cultural Sources
anomaly label
A
125
decay constant (µs)
K
36
thicK/thiN source
off-time conductance (S)
SKYLINE GOLD CORPORATION
Date: 2012/05/03
Rev.: --
Version:1.0
Figure: 9-5
Author: WSH
Office: Vancouver
Scale: 1:45,000
Burnie Trend
AeroTEM Z1 Off-Time Conductivity
Filename: 20120229_Burnie_Trend_Conductivity_8p5x11.mxd
Location: NTS 104B10/11, Liard Mining Division
Projection: UTM Zone 9 (NAD83)
0
0.5
1
1.5
Kilometers



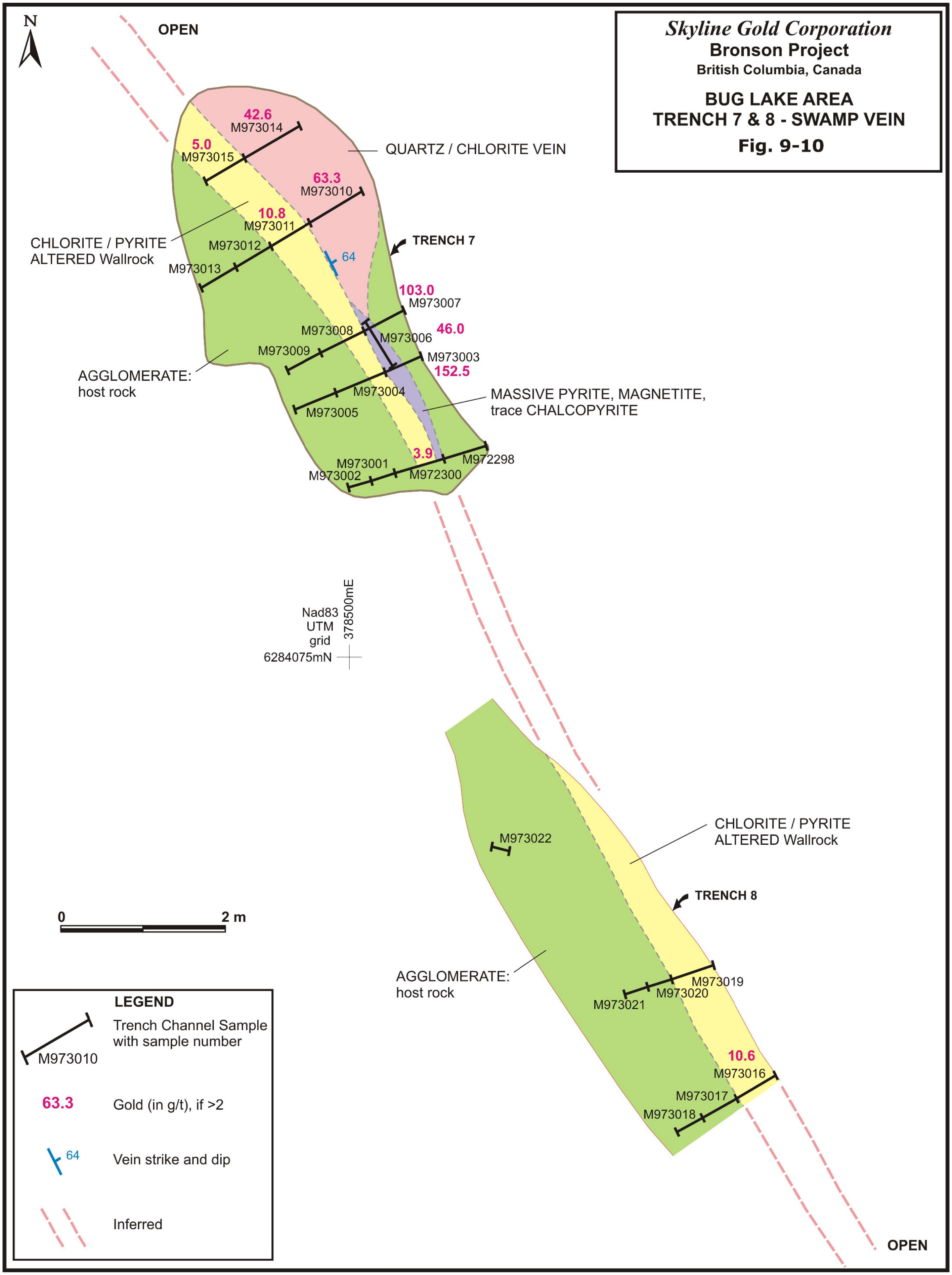
Snip Mine
Bronson Creek
Sky Creek
1990 CE-14 Trench Channel Sampling:
3.20 m of 4.89 g/t Au, 163.0 g/t Ag
DDH SK09-02:
81.0 m of 2.12 g/t Au, 30.4 g/t Ag &
18.7 m of 1.86 g/t Au, 11.5 g/t Ag
See November 18th, 2009 N.R.
DDH SK10-08:
7.26m of 7.79 g/t Au and 104 g/t Ag
See July 22nd, 2010 N.R.
1990 Trench Channel Sampling:
2.3m of 2.55 g/t Au, 14.26 g/t Ag
2011 Channel Sample:
0.8m of 102 g/t Au, 26.1 g/t Ag
Wide Sheared Rhyolite with 20 cm
Massive Pyrite Vein
11-Oz Trench
CS95-21
CS95-22
CS95-23
CS95-24
SK11-20,21
SK09-02
SK10-08
SK11-19
Stairway Creek
Ladder Creek
N
371,000
372,000
373,000
374,000
375,000
376,000
6,282,000
6,281,000
6,280,000
6,279,000
Soils - Au (ppb)
0.01 - <=10
>10 - <=20
>20 - <=30
>30 - <=40
>40 - <=50
>50 - <=75
>75 - <=100
>100 - <=200
>200 - <=300
>300 - <=6,027.66
Map Extents
1:700,000
UTM Zone 9, NAD83
Legend
11-Oz Trench Location
CE-14 Trench Location
Conductive Trend
Snip-Bronson Trend
2011 Skyline DDH - SK11-19 to 21
2009 Skyline DDH - SK09-02
2010 Skyline DDH - SK10-08
1994 Cominco DDH
SKYLINE GOLD CORPORATION
Date: 2012/03/16
Rev.: --
Version:1.0
Figure: 9-6
Author: WSH
Office: Vancouver
Scale: 1:27,500
Snip-Bronson Trend & Johnny Flats
Historical Soils 1988 - 1991 Au (ppb)
Filename: 20120316_SBT_JF_8p5x11.mxd
Location: NTS 104B11, Liard Mining Division
Projection: UTM Zone 9 (NAD83)
0 0.2 0.4 0.6 0.8 1
Kilometers

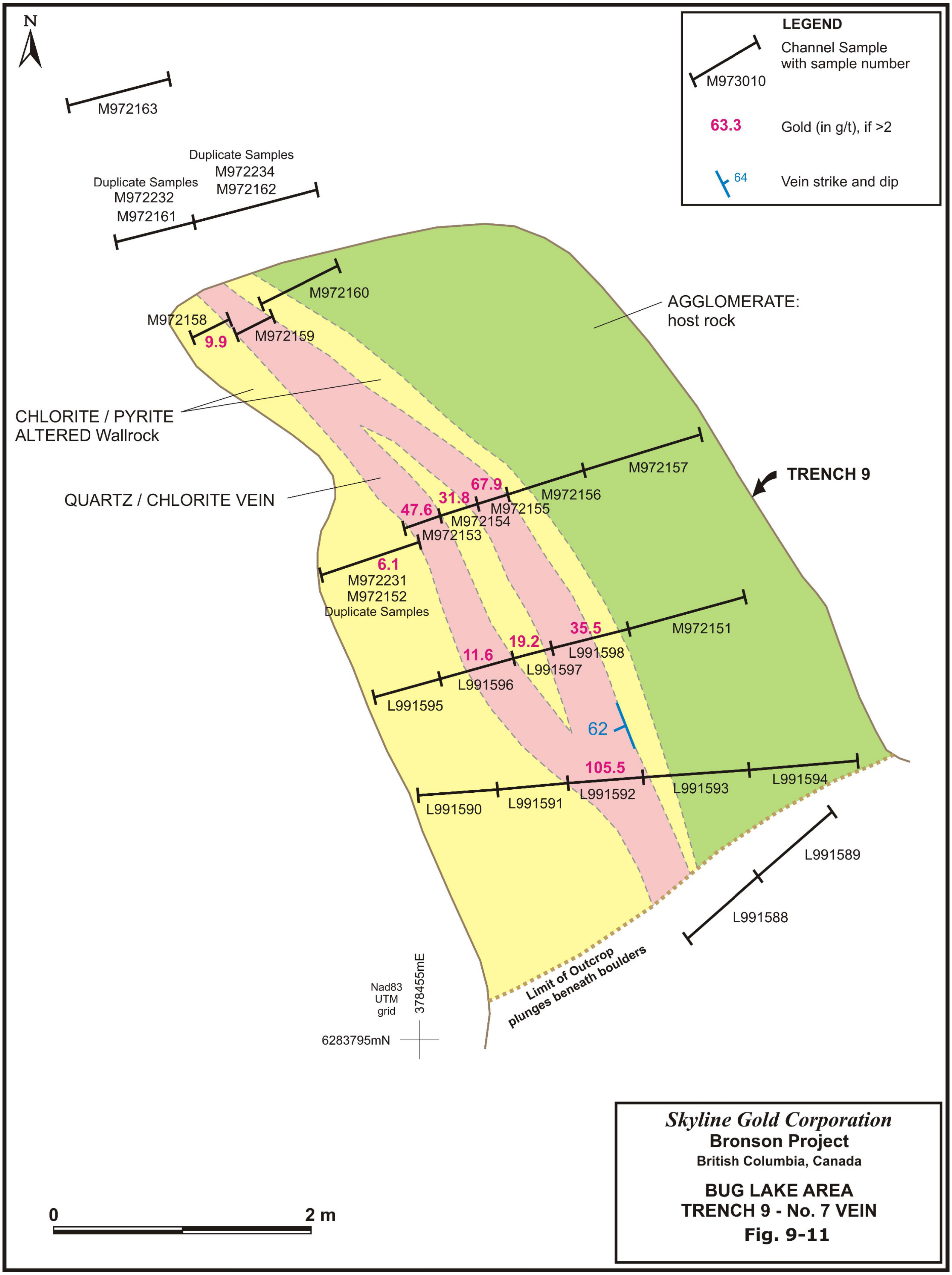


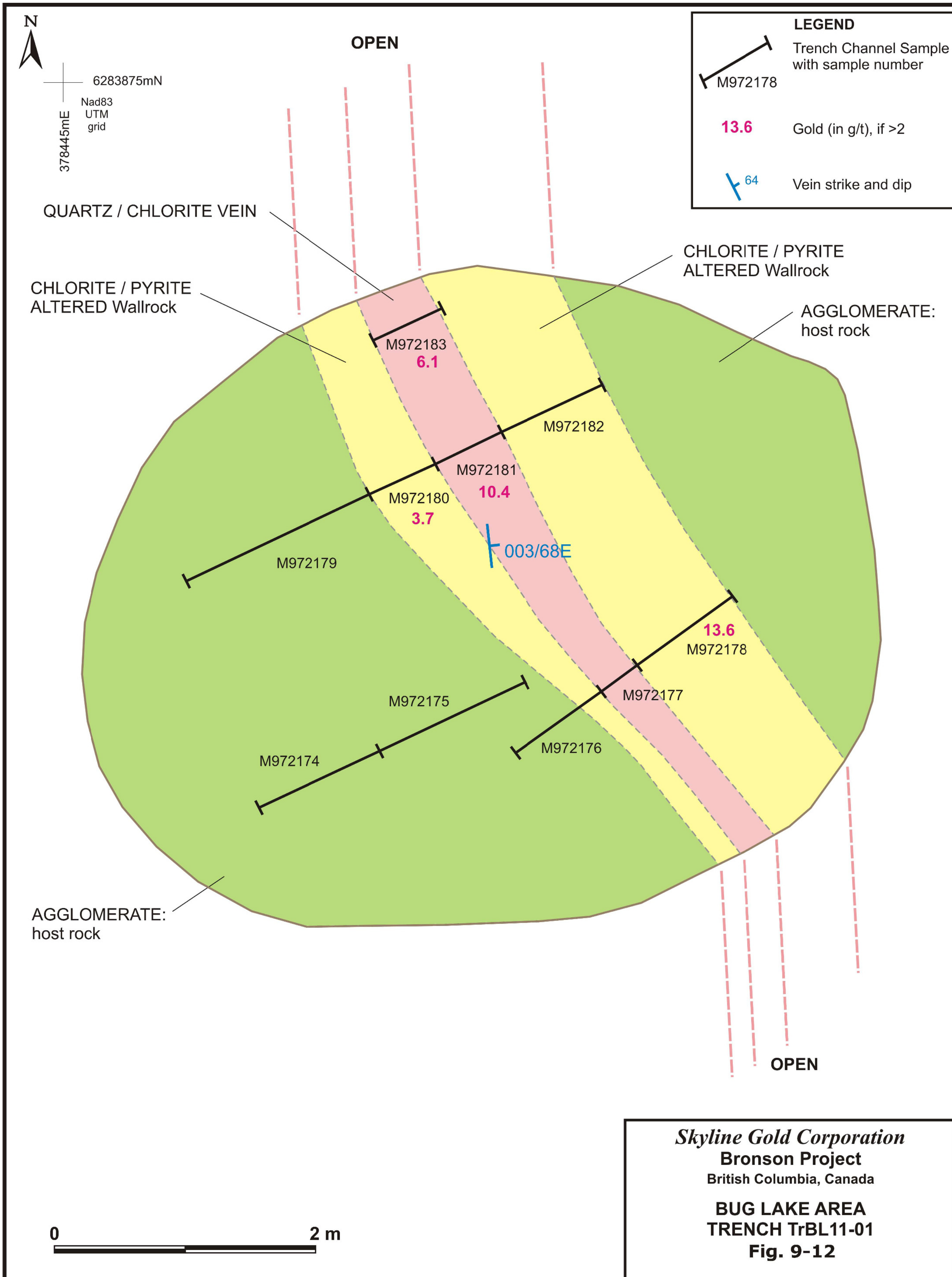
370,000
375,000
380,000
6,285,000
6,280,000
Iskut River
Airstrip
N
Iskut Property
Bob Quinn
Stewart
Smithers
Terrace
CANADA
Pacific Ocean
Vancouver
Victoria
Population Center
Legend
Contour (100 meter intervals)
Faults
Watercourse
Bronson Airstrip
Skyline Gold Corp. Crown Grants
Glacier / Ice / Snow
Roads
Proposed Pit Limit
Skyline's Iskut Property Outline
Waterbody
Bronson Johnny Mtn. Au Soils (ppb)
0.01 - 10
10.00000001 - 20
20.00000001 - 30
30.00000001 - 40
40.00000001 - 50
50.00000001 - 75
75.00000001 - 100
100.0000001 - 200
200.0000001 - 300
300.0000001 - 6,027.669922
IJV SW / SE Au Soils (ppb)
0.01 - 10
10.00000001 - 20
20.00000001 - 30
30.00000001 - 40
40.00000001 - 50
50.00000001 - 75
75.00000001 - 100
100.0000001 - 200
200.0000001 - 300
300.0000001 - 628.0092163
Bug Lake Au Soils (ppb)
0.476730406 - 10
10.00000001 - 20
20.00000001 - 30
30.00000001 - 40
40.00000001 - 50
50.00000001 - 60
60.00000001 - 70
70.00000001 - 80
80.00000001 - 90
90.00000001 - 7,430.783691
Snip North Au Soils (ppb)
0.225700945 - 10
10.00000001 - 20
20.00000001 - 30
30.00000001 - 40
40.00000001 - 50
50.00000001 - 60
60.00000001 - 70
70.00000001 - 80
80.00000001 - 90
90.00000001 - 3,073.179443
SKYLINE GOLD CORPORATION
Date: 2012/01/26
Rev.: --
Version: 1.0
Figure: --
Author: WSH
Office: Vancouver
Scale: 1:65,000
Iskut Project
Soil Geochemistry Grids
Au (ppb)
(Bronson / Johnny Mtn,
Bug Lake,
Iskut Joint Venture (IJV),
Snip North)
Filename: 20120126_Au_Soil_Geochemistry_65K_8p5x11.mxd
Location: Liard Mining District, NTS 104B10 / 11
Projection: UTM Zone 9 (NAD83)
0 0.5 1 1.5 2
Kilometers



Source: Shaun Parent. Summary of the VLF Surveying on the Bronson Slope Grid (Summer 2011).


Skyline Gold Corporation
Bronson Project
British Columbia, Canada
BUG LAKE AREA
TRENCH 7 & 8 - SWAMP VEIN
Fig. 9-10
N
OPEN
42.6
M973014
5.0
M973015
QUARTZ / CHLORITE VEIN
63.3
M973010
10.8
M973011
CHLORITE / PYRITE
ALTERED Wallrock
M973012
M973013
TRENCH 7
64
103.0
M973007
M973008
M973006
46.0
M973009
M973003
152.5
AGGLOMERATE:
host rock
M973004
MASSIVE PYRITE, MAGNETITE,
trace CHALCOPYRITE
M973005
3.9
M973001
M972298
M973002
M972300
Nad83
UTM
grid
378500mE
6284075mN
M973022
CHLORITE / PYRITE
ALTERED Wallrock
TRENCH 8
0
2 m
AGGLOMERATE:
host rock
M973019
M973020
M973021
10.6
M973016
M973017
M973018
OPEN
LEGEND
Trench Channel Sample
with sample number
M973010
63.3
Gold (in g/t), if >2
64
Vein strike and dip
Inferred


N
LEGEND
Channel Sample with sample number
M973010
63.3
Gold (in g/t), if >2
64
Vein strike and dip
M972163
Duplicate Samples
M972234
M972162
Duplicate Samples
M972232
M972161
M972160
M972158
9.9
M972159
AGGLOMERATE: host rock
CHLORITE / PYRITE ALTERED Wallrock
QUARTZ / CHLORITE VEIN
M972157
TRENCH 9
67.9
31.8
47.6
M972156
M972155
M972154
M972153
6.1
M972231
M972152
Duplicate Samples
35.5
19.2
11.6
M972151
L991598
L991597
L991596
L991595
62
105.5
L991590
L991591
L991592
L991593
L991594
L991589
L991588
Limit of Outcrop plunges beneath boulders
Nad83 UTM grid
378455mE
6283795mN
0
2 m
Skyline Gold Corporation
Bronson Project
British Columbia, Canada
BUG LAKE AREA
TRENCH 9 - No. 7 VEIN
Fig. 9-11



Skyline Gold Corporation
Bronson Project
British Columbia, Canada

BUG LAKE AREA
TRENCH TrBL11-01
Fig. 9-12

10.0 Drilling

Recent diamond drilling completed by Skyline includes two drill holes totalling 728.78 meters in 2009, eighteen drill holes totalling 3,570 meters in 2010, and three drill holes totalling 1,812 meters in 2011. Note **Figure 10-1**.

10.1 2011 Drill Campaign

Driftwood Diamond Drilling Ltd. of Smithers, BC was contracted to perform the 2011 drilling program as well as provide pad building services for the program.

The 2011 program consisted of three diamond drill holes: SK11-19, SK11-20, and SK11-21, all totalling 1,812 meters. The holes were completed to test specific surface targets and to also be used to test the response of a borehole pulse EM (`BPEM`) survey.

SK11-19: was drilled targeting the Upper Johnny Creek East Anomaly (and CE prospect area) consisting of four coincident anomalies: a gold-in-soil anomaly coincident with several well defined airborne EM anomalies, a broad resistivity anomaly and, at the western end, a ground IP anomaly. Setup was approximately 250m ESE of DDH SK09-02 and SK10-08, each of which contain significant Au intersections on the eastern side of Johnny Creek (fault) and therefore testing continuity in mineralization and lithology/structure from one side to the other.

SK11-20: was drilled targeting the “Fuchsite Zone” which was discovered and trenched in 2011 and included panel samples up to 11.65 Au g/t and the channel samples up to 2.0 metres of 6.03 g/t gold and 205.5 g/t silver.

SK11-21: was drilled targeting “Fuchsite Zone” at a higher (steeper) angle as well as combining the two holes to help define relationships between zones of mineralization and BPEM response.

Down hole directional surveys in 2011 were obtained using a Reflex Gyro instrument, with readings taken every five meters. Collar locations were surveyed using a Leica GS15 GPS survey instrument, said to deliver readings accurate to centimetres.

All 2011 holes were completed with the aid of an oriented core tool, a Reflect Act-II.

The holes were completed with a combination of either HQ or NQ core size. HQ coring was completed to the maximum depth capabilities of the drill, the hole was then reduced to NQ to completion.

Core was then placed in wooden core boxes, and depths of core runs were marked on blocks of wood using permanent markers. Core boxes were delivered by helicopter to the core logging building at the end of each shift, or sooner if required by the geological staff in charge of the drilling.

The core was “reassembled” based on the oriented core markings that were made by the drillers’ at the drill site. The core was reassembled by Skyline’s geotechnical staff trained in the technique. The geotechnical staff embossed on metal tags the information identifying each box and the depths of core enclosed. The embossed metal tags were permanently attached to the end of each box using metal staples.

The core was logged geologically with information on geotechnical properties, rock type, alteration, mineralization, structure and faulting all recorded. Core logging was done directly into Excel spreadsheets. Sample intervals were marked based on logical geological breaks. QAQC standards and blanks, as well as field duplicate samples, were inserted into the sample stream at regular intervals outline in **Item 12**.

The core was also photographed before sampling was carried out.

After logging was complete, the core was moved to the core cutting building where it was halved longitudinally by saw cutting using a diamond impregnated saw blade. Care was taken to ensure that the core was cut in a consistent manner relative to the ACT II core orientation marks. The unmarked half of the core was placed in 12 mil poly sample bags; and the marked half (oriented half) of the core was placed back in the core box.

It was intended that all core that was successfully oriented by means of the oriented core tool was sampled in such a manner that the lowest side of the split core in the box corresponds to the low-side of the drill hole. This would facilitate future oriented core measurements if required.

Individual samples were grouped and packed in poly-woven sacks and sealed with a uniquely numbered ULINE brand security seal for shipping. While in camp, these bags were kept in a lockable building awaiting shipment to the preparation lab in Terrace, B.C.

Samples were consigned at camp to the charter Aircraft Company servicing the exploration program, typically Quantum Helicopters Ltd. Quantum would fly the samples to their holding lockable storage container near the Bob Quinn airstrip, where they would either be transferred to trucks operated by Quantum Helicopters Ltd., UTM Exploration Management Ltd. (the company providing camp services and management to the project) or to the lockable storage facility. The core would be trucked directly to ALS Mineral's Terrace, B.C. sample preparation lab by either the expeditor or by commercial carriers.

The drill hole data for 2009 to 2011 drilling programs is given in **Table 10-1** whereas significant and relevant drill hole intercepts are given in **Table 10-2**. The results from these three years of drilling are discussed here. Those drill holes which have higher grade gold (and silver) intercepts are bolded in **Table 10-2**. The 2009, 2010 and 2011 drilling was concentrated over a trend distance of about 500m. The 2009 and 2010 drilling (and one of the 2011 drill holes) was near old prospects known as CE and CE Contact, over a trend distance of about 300m. Many higher grade gold intercepts are in **Table 10-2** are surrounded by lower grade gold (and silver) mineralization. **No estimation of the true thickness of these gold and silver mineralized intercepts has been estimated and it is thus not known.**

The drilling completed from 2009 to 2011 tested the area generally known as the CE Zone. The CE Zone is located approximately 1.5km southeast from the Bronson Slope Deposit, 3.0km east of the Snip gold deposit. The CE Zone and area are located in a continuous structural corridor that extends from the Snip gold deposit, striking about 120° and dipping steeply to moderately to the southwest. At the CE Zone the corridor is characterized by moderate to strong biotite potassium feldspar alteration that has been overprinted by quartz-sericite-pyrite (phyllic) alteration. The alteration forms an oblong halo about the Red Bluff (Bronson Slope) potassium feldspar mega-crystic monzonite intrusion that has been altered and mineralized itself. Mineralization in the area may be part of an overall zoned system relating to the intrusion of the Red Bluff porphyry and other smaller, related intrusions (Rhys, 1995). The oblong nature of the alteration halo is likely due to the predominant southeast strike of the local fluid pathway structures present in the early Jurassic when the intrusion was emplaced. Mineralization in the CE Zone occurs within altered clastic sediments and consists of multiple structures that are variably mineralized with pyrite, sphalerite, chalcopyrite, galena and native gold. Quartz+/-calcite-sulphide veins cross-cut the sulphide-bearing structures and these veins contribute to the overall tenor of the mineralization. Significant mineralization has been intersected over a horizontal distance of about 500m perpendicular to the general strike of the Zone, and it is open to the southwest. A number of the structures contain high-grade gold results and visible gold was noted in several localities in the core.

There are in the order of 30 intercepts that equal or exceed one metre that grade in excess of 3 g/t gold. There are an additional 53 intercepts that are 10m or greater (from 10 to 149m) that exceed a 0.2 g/t gold content and range from 0.2 to 2.2 g/t gold that is indicative of the potential for a larger low-grade gold deposit. Significant amounts of silver and zinc mineralization are associated with the gold. Further geological interpretation and modelling are required.

10.2 2010 Drill Campaign

During 2010, eighteen diamond drill holes totalling 3,570 meters were cored in the Snip 1 mineral tenure. Driftwood Diamond Drilling Ltd. was contracted to perform the drilling and drill pad construction. The program's objective was to test the CE Zone mineralization that had been confirmed by drilling in 2009. Down hole surveys were obtained using a Reflex EZ-Shot, with readings taken approximately every 100 metres. Collar surveys were taken using a Trimble R8 RTK GPS System.

The drill crew placed the NQ size drill core into standard wooden core boxes. Each core box was labelled at the drill site by the drillers with its drill hole identification number and box number. Wooden depth blocks were inserted in the boxes to mark the hole depth after each drill run. At the end of each drill shift, drill core was flown by helicopter from the drill rig to the core shack north of the camp at Bronson Creek.

At the core shack, a quick log was made, summarizing obvious mineralized zones and structural features. The core boxes were permanently marked using aluminum tags inscribed with the hole identification number, box number, and contained depths. The upper edge of each core box was also marked with the same information.

Each core box containing whole core was then placed on top of the logging benches and photographed. The geologist then logged the drill core by noting lithological boundaries, major structures, overburden depths, and broad mineralization and alteration intervals.

Where practical, sample intervals were selected so as to coincide with mineralized zones to help build an understanding of metals associations. Sample intervals were marked by stapling a two-part assay tag onto the core box at the start of each interval. For each hole, the place for insertion of standards, blanks, and field duplicates into the sample stream was predetermined on the sample log, and assay tags for these were inserted into the core boxes accordingly. For standard, blank, and duplicate assay tags, the portion remaining in the core box was labelled as standard, blank, or duplicate, while the portion to be submitted to the laboratory was unmarked.

Details on Skyline's QA/QC protocols are reported in **Item 12**. Core boxes with attached assay tags were then racked until a core sampler was available to sample the core.

The core sampler used a manual core splitter to split the drill core longitudinally. Half of the core for each sample interval was placed into a sample bag together with the numbered sample tag, while the other half was replaced into the core box. Sample bags were sealed using plastic cable ties. Boxes containing the remaining half core were either placed in storage racks or cross-piled outside the core shack.

Completed and sealed samples were packed, in sequential order, into woven polyethylene textile sacks for shipment to the laboratory. A freight scale was used to standardize sack weights, simplifying later aircraft payload allowance calculation. Sacks were sealed with numbered locking security (NLS) ties. Each sack's NLS serial number was recorded along with the sample sequence enclosed in each sack.

Samples were stored in a locked sample storage room until a cargo flight was available. All core sample sacks were flown by fixed wing aircraft from the Bronson Airstrip directly to Smithers Airport. The planes were met by personnel from either Skyline's expediter, Blue Bear Exploration Ltd., or from the laboratory. Blue Bear or laboratory personnel then took possession of the samples at the airport and delivered them to the sample preparation laboratory.

The drill hole data and results are discussed in **Item 10.1**. Note **Tables 10-1** and **10-2.**

10.3 2009 Drill Campaign

The 2009 drill program consisted of 2 diamond drill holes, drilled from one set up, for a total of 728.78 metres of NQ core. The holes were drilled from the site used in 1988 for drill hole 911 to test the CE Zone mineralization identified from historic surface trenching. The drilling started October 10, 2009 and was completed on October 19, 2009. The holes were surveyed using a Reflex down hole survey instrument to obtain both dip and azimuth.

The drill holes are located approximately 900 metres south east of the nearest Bronson Slope deposit drill hole and are reported on trend to the Bronson Slope Deposit. Hole SK09-01 was drilled to 438 m at an azimuth of 011 degrees and at a dip of –65 degrees. Hole SK09-02 was drilled to 290.8 meters at an azimuth of 061 degrees and a dip of –55 degrees. Drill core was split at Bronson Airstrip and assayed for gold, silver, copper and zinc at ALS Chemex Laboratories in North Vancouver, BC. Equity Engineering of Vancouver, BC managed the work. The following significant assays are reported by Skyline and include screening for metallic gold on twelve selected intervals:

The drill core was placed in 4-foot long wooden core boxes and flown from the property to the camp at the Bronson Airstrip. The core was logged for geology and geotechnical data, photographed and then split using a diamond blade core saw. Once split, half the core was placed in a sample bag and the other half was returned to the core box. Sample bags were packed in rice sacks and sealed with uniquely numbered non-reseal able security straps to ensure the samples would not be tampered with en route to the laboratory.

Note **Item 12**. The remaining core has been stored at the Bronson camp with the rest of the historic core from the property. Blanks, standards and duplicate samples were inserted into the sample stream at regular sample intervals. A total of 326 samples were shipped to the ALS Chemex preparation facility in Terrace, BC. The sample pulps were analysed by ALS Chemex at their Vancouver lab for gold (30 g aliquot) by FA-AA (fire assay-atomic absorption) and for 35 elements by ICP-AES (inductively coupled plasma-atomic emission spectroscopy). Over limit results for silver, lead, zinc and copper were re-assayed. All initial gold results greater than 1.0 g/t Au were re-analysed by a gravimetric technique on a 50 g aliquot. Subsequently, sample rejects from 13 samples were re-submitted for screen metallic-total gold analyses given the presence of visual gold in the core and the high-grade results of several samples.

The drill hole data and results are discussed under **Item 10.1**. Note **Tables 10-1** and **10-2.**

TABLE 10-1
SNIP–BRONSON TREND DRILL HOLE DATA – 2009 – 2011
(UTM Zone 9, NAD 83)

Zone	Hole-ID	Easting	Northing	Elevation	Length	Azimuth	Dip
		NQ Size Drill Core		m	m	°	°
Bronson-Johnny Creek	SK09-01	373529	6280829	629	438	009	-65
Bronson-Johnny Creek	SK09-02	373529	6280829	629	291	059	-55
		NQ Size Drill Core					
Bronson-Johnny Creek	SK10-01	373542	6280826	649	209	059	-70
Bronson-Johnny Creek	SK10-02	373543	6280825	649	195	077	-45
Bronson-Johnny Creek	SK10-03	373542	6280825	649	204	108	-45
Bronson-Johnny Creek	SK10-04	373538	6280825	649	246	238	-44
Bronson-Johnny Creek	SK10-05	373538	6280825	649	228	235	-65
Bronson-Johnny Creek	SK10-06	373541	6280825	649	273	061	-85
Bronson-Johnny Creek	SK10-07	373543	6280826	649	207	082	-53
Bronson-Johnny Creek	SK10-08	373543	6280825	649	201	086	-60
Bronson-Johnny Creek	SK10-09	373811	6280805	566	174	025	-45
Bronson-Johnny Creek	SK10-10	373810	6280803	567	150	030	-55
Bronson-Johnny Creek	SK10-11	373665	6280872	575	111	210	-45
Bronson-Johnny Creek	SK10-12	373665	6280872	575	174	215	-70
Bronson-Johnny Creek	SK10-13	373666	6280872	575	132	170	-50
Bronson-Johnny Creek	SK10-14	373666	6280872	575	162	170	-55
Bronson-Johnny Creek	SK10-15	373715	6280811	596	99	232	-45
Bronson-Johnny Creek	SK10-16	373718	6280813	595	43	053	-69
Bronson-Johnny Creek	SK10-17	373754	6280832	569	150	233	-46
Bronson-Johnny Creek	SK10-18	373755	6280832	569	177	210	-60
		HQ-NQ Size Drill Core					
Snip-Bronson	SK11-19	373611	6280439	882	696	021	-59
Snip-Bronson	SK11-20	373233	6280917	620	552	035	-57
Snip-Bronson	SK11-21	373233	6280917	620	564	035	-74

TABLE 10-2
SNIP-BRONSON TREND SIGNIFICANT INTERCEPTS
2009 - 2011 DRILL PROGRAMS

HoleID	From	To	Intercept	Au	Ag	Cu %	Pb	Zn	Comment
	m	m	m	ppm	ppm	%	%	%	
SK09-01	3.74	32.00	28.26	1.48	16.8	0.120	0.069	0.276	
SK09-01	102.37	194.16	91.79	0.809	10.1	0.050	0.137	0.580	
Includes	102.37	108.00	**5.63**	**2.318**	**39.1**	0.336	0.096	0.267	
Includes	172.00	181.00	**9.00**	**3.060**	7.1	0.039	0.267	0.664	
SK09-01	194.16	213.00	18.84	0.100	7.0	0.017	0.203	0.922	Zn Zone
SK09-01	213.00	321.00	108.00	0.569	8.3	0.037	0.104	0.487	
Includes	226.80	239.90	**13.10**	**2.197**	**25.1**	0.123	0.208	1.695	
Includes	236.90	237.90	**1.00**	**16.800**	102.0	0.985	0.000	5.650	
SK09-01	335.70	375.10	39.40	0.199	2.4	0.021	0.021	0.076	
SK09-01	430.00	438.00	8.00	0.498	4.7	0.020	0.099	0.314	Open
SK09-02	6.06	155.00	148.94	1.429	20.1	0.107	0.119	0.606	Open
Includes	48.00	55.55	**7.55**	**6.157**	**92.5**	0.706	0.176	0.618	
Includes	100.00	102.00	**2.00**	**9.345**	6.3	0.0173	0.106	0.508	
Includes	119.00	120.00	**1.00**	**6.960**	36.0	0.4380	0.388	1.560	
SK09-02	200.00	242.00	42.00	1.165		0.029	0.039	0.230	
Includes	214.75	221.40	**6.65**	**4.525**		0.041	0.065	0.537	
SK09-02	265.00	280.31	15.31	0.196	6.4	0.017	23.03	0.013	Pb Zone
SK10-01	17.00	24.00	**7.00**	**6.859**	8.8	0.016	0.000	0.534	
Includes	20.10	24.00	**3.90**	**12.021**	**106.8**	0.019	0.000	0.718	
SK10-01	38.00	149.00	111.00	1.085	31.9	0.086	0.000	0.453	
Includes	76.60	78.03	**1.43**	**24.057**	**68.9**	0.145	0.000	12.29	
Includes	96.50	98.75	**2.25**	**5.450**	**10.9**	0.020	0.000	0.020	
Includes	109.77	111.00	**1.23**	**5.600**	**37.2**	0.157	0.000	0.104	
SK10-01	173.00	188.00	15.00	0.268	4.5	0.024	0.000	0.744	
SK10-02	13.40	19.00	5.60	0.137	19.3	0.038	0.000	2.83	Ag-Zn Zone
SK10-02	34.60	87.55	52.95	0.394	9.6	0.100	0.000	0.214	
SK10-02	88.66	91.08	2.42	0.105	11.0	0.023	0.000	2.264	
SK10-02	120.10	135.95	15.85	0.466	5.2	0.026	0.000	0.440	
Includes	120.10	120.65	**0.55**	**7.910**	**19.3**	0.027	0.000	1.450	
SK10-02	161.50	171.50	10.00	0.894	3.3	0.024	0.000	0.265	
SK10-02	183.50	193.50	10.00	0.930	7.9	0.024	0.000	0.505	
SK10-03	11.50	20.00	8.50	0.090	6.5	0.030	0.000	0.505	Zn Zone
SK10-03	33.00	36.80	3.80	0.510	21.0	0.042	0.000	3.89	Zn Zone
SK10-03	53.33	78.90	25.57	1.188	21.7	0.091	0.000	0.770	
Includes	54.37	55.54	**1.17**	**6.010**	**145.0**	0.336	0.000	0.920	
Includes	61.88	62.88	**1.00**	**10.470**	**37.2**	0.081	0.000	0.028	
SK10-03	128.00	135.00	7.00	0.810	9.5	0.032	0.000	0.910	
SK10-03	141.00	147.30	6.30	0.356	19.8	0.028	0.000	2.822	Zn Zone
SK10-03	156.00	191.39	35.39	0.817	16.7	0.014	0.000	0.178	
Includes	157.00	158.00	**1.00**	**2.220**	**462.9**	0.031	0.000	0.990	
Includes	184.00	185.00	**1.00**	**13.470**	12.3	0.008	0.000	0.009	
SK10-04	13.00	22.23	9.23	1.721	24.6	0.009	0.000	0.266	
Includes	21.68	22.23	**0.55**	**25.570**	**309.1**	0.012	0.000	0.162	
SK10-04	50.00	52.00	2.00	**2.140**	57.6	0.007	0.000	0.090	

SK10-04	56.00	62.00	6.00	0.068	5.2	0.012	0.000	0.489	Zn Zone
SK10-04	82.22	96.53	14.31	0.470	23.5	0.146	0.000	0.408	
SK10-04	119.00	130.00	11.00	0.483	8.3	0.022	0.000	2.399	
SK10-04	155.20	155.63	0.43	**5.510**	278.3	0.043	0.000	2.880	
SK10-04	175.00	206.00	31.00	0.127	13.8	0.027	0.000	0.856	Zn Zone
SK10-04	206.00	219.36	13.36	0.867	19.0	0.046	0.000	2.594	
SK10-05	153.80	156.00	2.20	0.522	44.4	0.066	0.000	2.035	
SK10-06	4.99	26.36	21.37	1.887	16.4	0.098	0.000	0.651	
Includes	25.40	26.36	**0.96**	**31.740**	10.1	0.0226	0.000	0.829	
SK10-06	51.00	53.00	**2.00**	**8.790**	1.3	0.025	0.000	0.017	
SK10-06	83.00	93.00	10.00	0.314	8.2	0.082	0.000	0.054	
SK10-06	116.60	138.00	21.40	1.270	19.7	0.062	0.000	1.709	
Includes	126.30	135.85	9.55	1.921	18.6	0.070	0.000	0.938	
SK10-06	153.41	273.00	119.59	1.218	8.4	0.033	0.000	0.435	Open
Includes	166.76	171.06	**4.30**	**6.157**	**51.1**	0.024	0.000	2.527	
Includes	187.00	197.00	**10.00**	**4.840**	9.3	0.026	0.000	0.182	
SK10-07	13.96	27.56	13.60	0.165	10.0	0.036	0.000	0.577	Zn Zone
SK10-07	27.56	30.32	2.76	0.692	32.9	0.499	0.000	4.872	Open
SK10-07	45.66	80.00	34.34	**2.203**	26.6	0.174	0.000	0.349	
Includes	52.11	55.60	**3.49**	**9.112**	**174.8**	1.129	0.000	0.834	
Includes	75.06	76.75	**1.69**	**12.505**	**26.9**	0.040	0.000	0.842	
SK10-07	128.05	143.02	14.97	0.747	9.1	0.049	0.000	0.742	
SK10-07	190.13	207.00	16.87	0.492	3.6	0.027	0.000	0.104	Open
SK10-08	5.56	7.51	1.95	0.892	26.7	0.060	0.000	0.329	Open
SK10-08	30.36	38.50	8.14	0.261	4.5	0.029	0.000	0.056	Open
SK10-08	48.00	81.00	33.00	**2.372**	33.0	0.283	0.000	1.263	
Includes	55.82	56.43	**0.61**	**10.780**	**134.4**	0.531	0.000	2.780	
Includes	60.43	63.08	**2.65**	**17.409**	**230.1**	2.054	0.000	7.787	
SK10-09	53.40	60.60	7.20	0.198	6.9	0.040	0.000	0.564	
SK10-09	88.00	93.00	5.00	0.107	9.7	0.018	0.000	1.272	Zn Zone
SK10-09	141.20	150.00	8.80	0.278	2.1	0.016	0.000	0.079	
SK10-10	75.43	76.44	1.01	1.784	84.7	0.127	0.000	2.815	
SK10-10	91.20	110.45	19.25	0.041	2.8	0.011	0.000	0.293	Zn Zone
SK10-12	6.00	34.00	28.00	0.500	1.4	0.021	0.005	0.016	
SK10-12	109.00	114.00	5.00	0.285	8.1	0.011	0.137	0.653	
SK10-12	122.00	125.00	**3.00**	**2.965**	10.5	0.027	0.036	0.046	
SK10-12	126.00	149.00	23.00	0.099	7.1	0.027	0.070	0.764	Zn Zone
SK10-12	149.00	171.00	22.00	0.322	7.9	0.030	0.065	0.497	
SK10-13	82.00	97.00	15.00	0.277	4.9	0.024	0.043	0.295	
SK10-13	112.00	132.00	20.00	1.323	11.5	0.042	0.160	0.593	Open
Includes	122.00	123.00	**1.00**	**11.600**	16.7	0.035	0.176	1.525	
SK10-14	46.00	67.00	21.00	0.407	6.2	0.025	0.063	0.238	Open
SK10-14	81.24	111.20	29.96	0.528	7.5	0.041	0.069	0.437	Open
	109.85	111.20	**1.35**	**6.420**	4.6	0.007	0.029	0.118	
SK10-14	136.00	162.00	26.00	0.851	4.7	0.065	0.011	0.039	Open
SK10-15	2.40	21.00	18.60	0.121	5.1	0.012	0.101	0.347	Zn Zone
SK10-15	27.90	47.00	19.10	0.331	4.0	0.022	0.067	0.668	
SK10-15	51.00	67.00	16.00	0.062	4.6	0.019	0.089	0.581	Zn Zone
SK10-15	67.00	95.00	28.00	0.541	12.6	0.023	0.286	1.710	
SK10-16	1.20	8.00	6.80	0.043	3.6	0.010	0.106	0.352	Zn Zone

SK10-16	12.00	18.23	6.23	0.071	6.1	0.018	0.106	0.394	Zn Zone
SK10-16	18.23	22.00	3.77	0.796	7.8	0.051	0.051	0.244	
Includes	18.23	18.53	0.30	**7.880**	51.4	0.389	0.114	0.567	
SK10-17	76.00	111.50	35.50	1.343	12.6	0.063	0.095	0.733	
Includes	101.50	102.50	1.00	**18.600**	9.8	0.015	0.072	0.275	
SK10-17	129.00	143.00	14.00	0.444	12.4	0.075	0.100	0.365	
SK10-18	6.00	17.50	11.50	0.635	13.1	0.032	0.128	0.426	
SK10-18	47.80	105.00	57.20	0.382	6.6	0.030	0.052	0.245	
SK10-18	137.00	143.00	6.00	0.356	4.2	0.047	0.004	0.028	
SK10-18	153.00	172.00	19.00	0.264	2.1	0.033	0.001	0.037	
SK11-19	70.66	73.32	2.66	0.075	16.7	0.022	0.548	2.422	Zn Zone
SK11-19	191.47	191.99	0.52	0.114	21.9	0.049	0.654	11.700	Zn Zone
SK11-19	213.15	218.38	5.23	0.052	10.7	0.026	0.346	1.596	
SK11-19	234.15	241.65	7.50	0.720	4.6	0.012	0.128	0.304	
SK11-19	259.33	275.15	15.82	0.142	2.2	0.013	0.108	0.438	Zn Zone
SK11-19	275.15	293.00	17.85	0.187	6.1	0.017	0.165	0.826	Zn Zone
SK11-19	331.49	340.98	9.49	0.065	6.4	0.017	0.201	0.961	Zn Zone
SK11-19	376.09	377.18	1.09	0.944	170.0	0.127	2.330	8.790	
SK11-19	404.48	424.94	20.46	0.330	20.9	0.019	0.114	0.637	
SK11-19	424.94	446.08	21.14	0.045	6.9	0.009	0.158	0.555	Zn Zone
SK11-19	504.29	540.00	35.71	0.306	2.7	0.013	0.023	0.096	
SK11-19	625.57	628.03	2.46	0.815	27.3	0.036	0.036	0.096	
SK11-20	15.90	27.10	11.20	0.426	10.8	0.093	0.020	0.107	Open
SK11-20	55.20	63.00	7.80	0.482	15.2	0.116	0.035	0.099	
SK11-20	100.60	120.00	19.40	0.396	17.1	0.075	0.051	0.369	
SK11-20	128.49	163.74	35.25	0.283	3.5	0.031	0.030	0.223	
SK11-20	179.50	221.80	42.30	0.248	5.0	0.034	0.028	0.352	
SK11-20	242.70	256.50	13.80	0.854	41.7	0.021	0.053	0.138	
SK11-20	270.00	324.70	54.70	0.509	4.3	0.056	0.025	0.081	
SK11-20	354.00	383.00	29.00	0.306	0.6	0.011	0.002	0.014	
SK11-20	478.40	523.80	45.40	0.470	1.5	0.012	0.005	0.024	
SK11-21	10.75	30.00	19.25	0.793	14.3	0.089	0.029	0.206	Open
SK11-21	58.54	68.60	10.06	0.729	15.9	0.151	0.023	0.208	
SK11-21	91.60	94.40	2.80	0.484	3.7	0.043	0.013	0.050	
SK11-21	103.10	126.00	22.90	0.970	17.8	0.054	0.053	0.426	
Includes	124.60	126.00	**1.40**	**10.00**	**151.0**	0.119	0.297	0.300	
SK11-21	148.60	159.00	10.40	0.320	10.5	0.034	0.051	0.589	
SK11-21	208.30	219.00	10.70	**2.566**	24.2	0.017	0.161	0.612	
SK11-21	277.70	281.40	3.70	0.832	3.2	0.042	0.025	0.115	
SK11-21	303.00	345.60	42.60	1.628	5.0	0.053	0.088	0.265	
Includes	310.97	316.99	6.02	**2.798**	5.7	0.079	0.122	0.245	
Includes	319.90	321.00	**1.10**	**8.220**	35.2	0.075	1.220	3.860	
Includes	328.90	330.00	**1.10**	**6.540**	4.1	0.082	0.005	0.015	
SK11-21	417.50	425.20	7.70	0.405	9.3	0.015	0.154	1.027	
SK11-21	512.50	514.00	**1.50**	**1.525**	**128.0**	0.207	0.511	1.620	

10.4 Pre 2009 Drilling Campaigns – Bronson Slope Deposit

This drilling has defined the Bronson Slope porphyry gold-copper-silver-molybdenum system to be in the order of 1.5 - 2 km long and 0.4 - 0.6 km wide and an additional gold-pyrite zone known as the High Wall or Snip Extension located on the south side of the deposit. The plan of drill hole locations is illustrated on **Figure 10-2.**

All drilling pre 2009 was by wire line diamond core drilling. Drilling on the Bronson Slope Deposit in 1965, 1986, 1988 and 1993 through 1997, and 2006 and 2007 involved a total of 19,320m over 92 core drill holes. Drilling done in 1986 and 1994 by Cominco and Prime Resources, with respect to exploration on the adjacent Snip mine, was acquired by Skyline in 1997. This drilling, in the High Wall of the Bronson Slope Deposit, was evaluated in 1997 and included the surveying of 7 historic core holes, re-logging of the drill holes, core splitting, and geochemical analyses of un-sampled porphyry mineralization. The summary of diamond core drilling is given in **Table 10-3.**

Bronson Slope Deposit – Historical and 2006/2007 Drilling

Diamond drill hole data including hole number, depth, northing, easting, elevation, azimuth and dip are given in **Appendix A. Figure 10-2** should be referred to for the relative drill hole locations.

The Skyline drills were transported to the drill site location by helicopter. All drill hole collars were transit surveyed – down the hole acid etch dip deviation surveys were completed on most core holes (from 50 to 125 metre intervals) and generally on holes greater than 100 metres. No down hole surveys were done on the 1965 Cominco holes

The drilling was completed over approximately 1,400 metres of strike length and 600 to 700 metres across trend on drill lines perpendicular to the assumed strike of the deposit. The stratigraphic trend is 115 degrees and many of the drill lines were perpendicular at 025 degrees azimuth. The mineralization is in the form of stock works that dip in the order of 45 to 60 degrees to the south. Many of the earlier 1988 drill holes were drilled oblique to the trend. These drill hole sections were nominally at 100 m spacing over defined mineralization although this varied in parts of the grid and was lesser and greater in certain parts of the deposit. Much of the drilling, as indicated above, was positioned to intersect the mineralization perpendicular to the trend and to its probable dip. Drill core recovery for drill holes in the Bronson Slope deposit is in the order of 95% to 99% (Yeager, 2006).

The analytical results and significant drill intercepts for all drilling programs have been reported in detail and summary form in Burgoyne and Giroux (2008) and the reader is referred to www.sedar.com of September 16, 2008 for Skyline Gold. This aforesaid reference also gives the most current resource estimate for the Bronson Slope deposit. **No estimation of the true thickness of these gold and silver mineralized intercepts given in Appendix A has been estimated and it is thus not known.**

Drill core from the Skyline 1994 through 1997, 2006, 2007 programs, and the Cominco/Prime 1984, 1986 and 1994 programs are contained in core racks at the Bronson Airstrip. Holes 1227, 1228, 1230, 1233 and 1234 from 1996 are missing. Also, drill core from the 1988 and 1993 campaigns is no longer available having been lost on collapse of drill core sheds due to snow load in the winter of 2000-2001. Also, remaining drill core sample rejects and drill sample pulps were disposed of by Skyline subsequent to 2000. Details for the Cominco (1965) and Skyline (1988, 1993 through 1997, 1999, 2006 and 2007) drilling programs are described in detail in the Burgoyne and Giroux (2008) report noted above.

TABLE 10-3
SUMMARY OF DIAMOND DRILLING
BRONSON SLOPE DEPOSIT

Period	Company	Drilling Contractor	Core Size*	Hole Numbers	Holes	Meters
1965	Cominco	Cominco	Packsack	1073 to 1080	7	337
1986	Cominco		BQ	S 6	1	108
1994	Prime Resources	Olympic Drilling	BQ	S101, S125-127, S129, S130	6	2224
1988	Skyline	Falcon Drilling	BQ tw	944 to 949, 954 to 964	17	1,938
1993	Skyline	Boisvenu Drilling	BQ tw	1198 to 1204	7	872
1994	Skyline	Olympic Drilling	BQ tw	1208 to 1216	9	1,550
1995	Skyline	Olympic Drilling	BQ tw	1217 to 1223	7	2,429
1996	Skyline	Britton Brothers	BQ tw	1224 to 1239	16	3,529
1997	Skyline	Britton Brothers	NQ**	1240 to 1246	7	1,835
2006	Skyline	Phil's Drilling & Boart Longyear	HQ	#BS0601 to BS0604	4	562
2007	Skyline	Blackhawk Drilling	NQ	BS 0701 to BS 0706, BS 0708 to BS 0712	11	3936
	* tw = thin wall	** One HQ hole		**Totals**	**92**	**19,320**

Skyline core diamond drilling in 2007, all of NQ core size, was completed by Blackhawk Drilling of Smithers, BC. The 2006 drilling was completed by Phils Drilling and Boart Longyear, all of HQ core size. The core, for both years, was moved by the drilling contractor via helicopter to the core logging facility at Bronson Creek airstrip where a team consisting of a Skyline geologist and technicians logged, including RQD data, and photographed the drill core in detail. It was subsequently marked, split, sampled, bagged, and packed. Technicians split the drill core with a Longyear diamond drill core splitter. The sampling interval averaged 3 metres continuous intersections, which were bagged, labeled and secured, placed in sacks, and then forwarded, in 2006, by aircraft to Acme Laboratories in Vancouver, BC. In 2007 the core was sent to Bob Quinn on the Cassiar Stewart Highway by aircraft and thence by truck (Bandstra Transportation) to the Acme laboratories preparation laboratory in Smithers, BC. The analyses and assays were gold, copper, silver and molybdenum. The Core Handling Procedure (Delong 2006a) was developed prior to the drilling and included a detailed protocol on laying out core, geotechnical logging, sample layout including standard and blank sample insertions, and core logging procedures on descriptive terminology for alteration and lithology, type of structures, mineralization, veins and styles/types, and storage of core. The core, at all time, was under direct supervision of Skyline personnel and kept in a secure and locked core logging building.

Skyline diamond drill core from surface, mostly of BQ core size, (1988, and 1993 through 1996) and some NQ core size (1997) was completed by Falcon, Boisenvu, Olympic, and JT Thomas Drilling over this period of time. The drill core in 1988 was moved from the respective diamond drill setup by helicopter to the Red Bluff exploration camp where it was logged and split. In 1993 the drill core was taken from the drill sites to the main Johnny Mountain mine site. In the period of 1994 through 1997 the core was moved by the drilling contractor via helicopter to an exploration campsite on the north end of the Bronson Creek airstrip where a team of Skyline geologists logged, including

RQD data, and photographed the drill core in detail. It was subsequently marked, split, sampled, bagged, and packed. Technicians split the drill core with a Longyear diamond drill core splitter. The sampling interval varied from 1.5 to 4-metre, and averaged 3 metre range, continuous intersections, which were bagged, labeled and secured, placed in sacks, and then forwarded by aircraft to the Rossbacher Laboratories in Burnaby, BC, and where applicable, to Chemex Labs in North Vancouver, BC. The analyses and assays were predominantly gold, copper, silver and molybdenum, and in certain cases, other metals were completed. The above information is given by Yeager (2006). The surface drilling, logging, and sampling procedures were essentially constant over the period of 1993 through 1997.

Bronson Slope Deposit 2009 Magnetite Sampling & Analyses Program

Twenty two drill holes over 5,923 metres were sampled and analysed for magnetite during the 2009 program. Those intercepts containing potentially economic concentrations (exceeding 2% magnetite over 9m) of magnetite are summarized in **Table 10-4**. The completed 43-101 Technical Report by Burgoyne, Burgert, and Giroux (1010) can be viewed at www.sedar.com for March 5, 2010.

All drill core sampled in 2009 was NQ (48 mm nominal) size and core was nominally sampled at 3 metre intervals, from depth marker block to marker block. Once at the core handling facility, core boxes were laid out on benches, and a Terraplus KT-10 magnetic susceptibility meter was used to take a magnetic susceptibility measurement every meter along the core length. Magnetic susceptibility measurements were recorded in SI units.

The Bronson Slope Diamond Drill Hole Data is reported in **Appendix A**. The core samples were analysed by Met-Solve Laboratories of Burnaby, BC

A series of drill sections on 50m centres were constructed. The zone containing potentially economic grades of magnetite appears to be approximately 300m wide and 400m deep at its northwestern end. Its dimensions apparently taper toward the southeast over a strike length of about 600m, with the copper and gold mineralization extending beyond. Potentially economic magnetite grades occur in three rock units: Quartz Magnetite Breccia, Red Bluff Porphyry, and Upper Sediments. As some of the drill holes analysed for magnetite ended in magnetite mineralization, the base of the magnetite zone is not fully defined.

The strongest magnetite mineralization is contained within a quartz-magnetite-hematite stock work, in which magnetite occurs as fine to coarse-grained disseminations and occasional semi-massive blobs. Magnetite also occurs as disseminations in highly potassic altered intrusive and sedimentary country rock surrounding the stock work. While the Bronson Slope copper and gold deposit is open to the east and at depth, the Quartz Magnetite Unit is open to the west and appears to terminate to the east although lower grade magnetite mineralization is found in the Red Bluff Porphyry Unit to the east. The magnetite mineralization is also open at depth.

The magnetite assay results have been collated and used to prepare the resource estimate presented in **Item 14** by Burgoyne, Burgert, and Giroux (2010) placed on www.sedar.com March 5, 2010**. No estimation of the true thickness of these gold**

and silver mineralized intercepts given in Table 10-4 has been estimated and it is thus not known.

TABLE 10-4
INTERCEPTS CONTAINING POTENTIALLY ECONOMIC MAGNETITE GRADES
2% Magnetite > 9 m Cut-Off

Hole	From (m)	To (m)	Length (m)	Grade (%)
1211	90.8	165.5	74.7	7.8
1212	127.4	135.3	7.9	4.7
1216	97.2	256.7	159.5	8.8
1217	105.7	423.4	317.7	9.5
1218	3.0	405.6	402.6	7.3
1219	148.2	404.2	256.0	5.4
1220	146.6	277.6	131.1	3.6
1221	10.4	312.1	301.7	9.0
1223	35.4	200.9	165.5	6.7
1225	3.7	218.6	214.9	8.9
1226	7.9	275.4	267.5	7.2
1229	248.6	450.2	201.6	8.7
0602	2.7	138.6	120.4	6.2
0702	3.4	134.1	130.7	4.7
0702	146.5	180.0	33.5	3.0
0703	30.5	39.6	9.1	2.5
0705	6.1	30.5	24.4	2.3

In 2009 the drill core sampled for magnetite analyses consisted of the following procedures. Technicians identified the depth intervals to be sampled, referring to a sample log that had been prepared for each hole. Intervals were marked by stapling a two-part assay tag onto the core box at the start of each interval. Most samples consist of 3m of core length. For each hole, the place for insertion of standards, blanks, and field duplicates into the sample stream was predetermined on the sample log, and assay tags for these were inserted into the core boxes accordingly. For standard, blank, and duplicate assay tags, the portion remaining in the core box was labelled as standard, blank, or duplicate, while the portion to be submitted to the laboratory was unmarked. Core boxes with attached assay tags were then stacked aside until a core sampler was available to sample the core.

Most of the core had been split in half and sampled for the gold-silver-copper-molybdenum resource evaluation during previous years, so during the 2009 program the remaining half was quartered. Exceptions are holes 1211, 1216, and 1232 where the remaining quarter core was used.

For all holes split, each core sample was made by using one of four core splitters to break the existing core half into two quarters. One quarter was placed back into the core box as reference, and the other quarter was placed into a polyethylene sample bag. When an entire sample interval had been split and one quarter placed into the sample bag, one portion of the two-part assay tag marking the sample interval was added into the sample bag to identify the sample, while the other half of the sample tag remained stapled in the core box. The bag was closed using a plastic ladder-lock cable tie. Sacks were double sealed with a ladder lock cable tie and a numbered locking security (NLS) tie.

10.5 Gorge & Gregor Targets - Compilation of Historical Drilling

The history of exploration and drilling is given in **Item 6.2** and will not be repeated here. During 2011 and early 2012 Skyline compiled available drill hole data and results for the historical drilling on Gorge and Gregor gold prospects and this is given in **Appendix D.** Substantial drilling programs were undertaken in the period of 1987 through 1996 as given in **Table 10-5** below.

TABLE 10-5
GORGE & GREGOR HISTORICAL DRILLING

	Year	Metres	Holes
Gorge-IJV	1987	956	10
Gorge-IJV	1988-1996	3410	26
Gorge-Merridor	1988-1989	5538.5	28
Gregor-IJV	1988-1990	3836	12

Of the 54 drill holes compiled on the Gorge prospect there are 49 separate intercepts that exceed a cut-off of 2 g/t gold and are detailed in **Appendix B**. Some intercepts are 'bonanza' grade gold and a qualitative look at the drill results gives two intercepts exceeding 40 g/t gold and 18 intercepts ranging from 10 to 40 g/t gold. Most of the drill hole intercepts range fro 0.5 to 6m although there are 8 intercepts exceeding 6m. The true thickness of the gold and silver intercepts is not known and it has not been estimated.

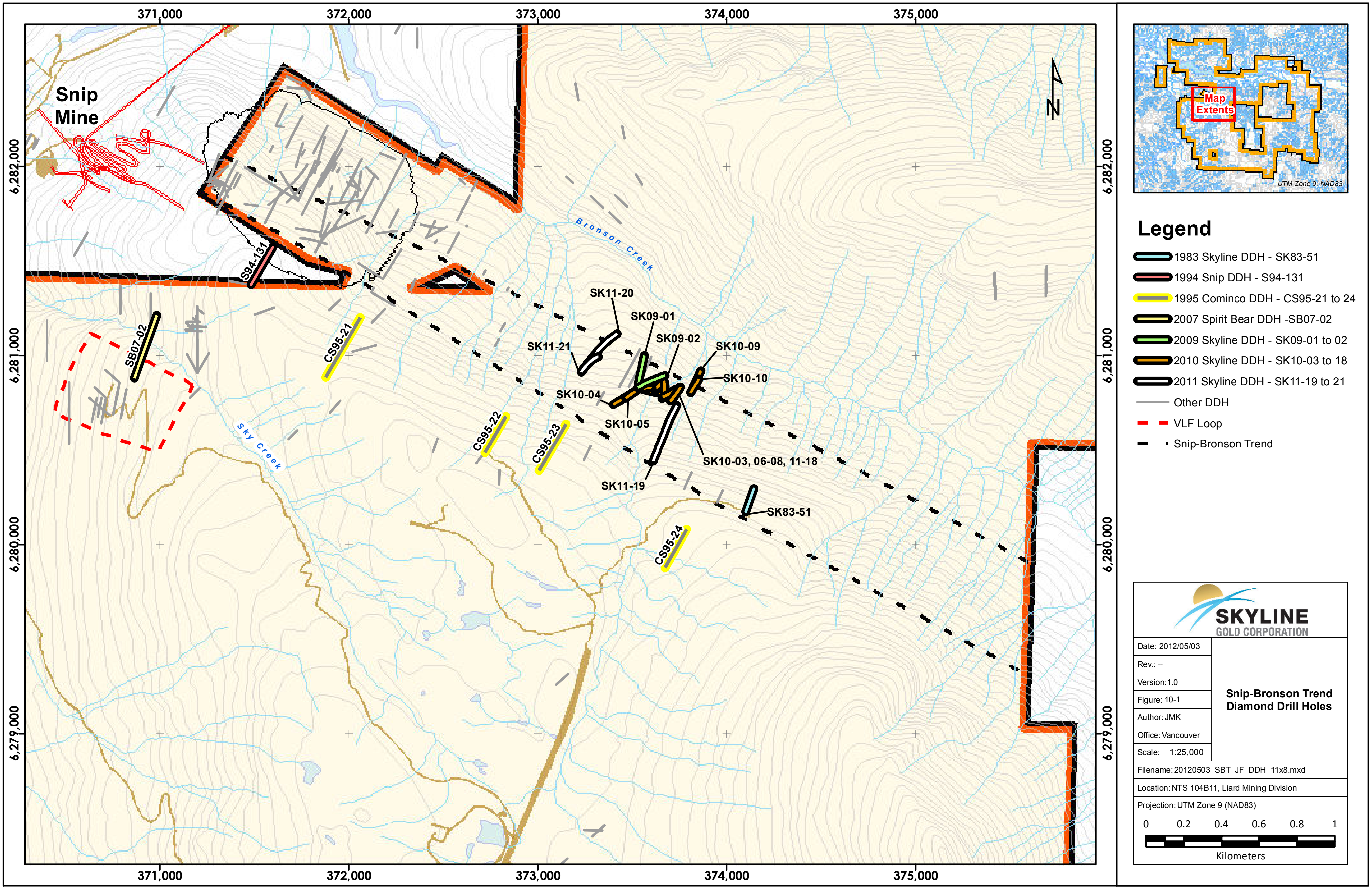
At the Gorge Showing the main mineralized shear trends are at 136°/64 SW. Field observations indicate that the structures at this showing do not continue across Gorge Creek to the southeast. Most of the drilling was oriented in a northeast or northerly direction usually somewhat perpendicular to the trend and dip of the mineralized vein-hosted shear and fault zones. The structural and geological controls on the Gorge prospect are not well understood and Skyline will be completing geological mapping to further this evaluation.

10.6 Bug Lake - Compilation of Historical Drilling

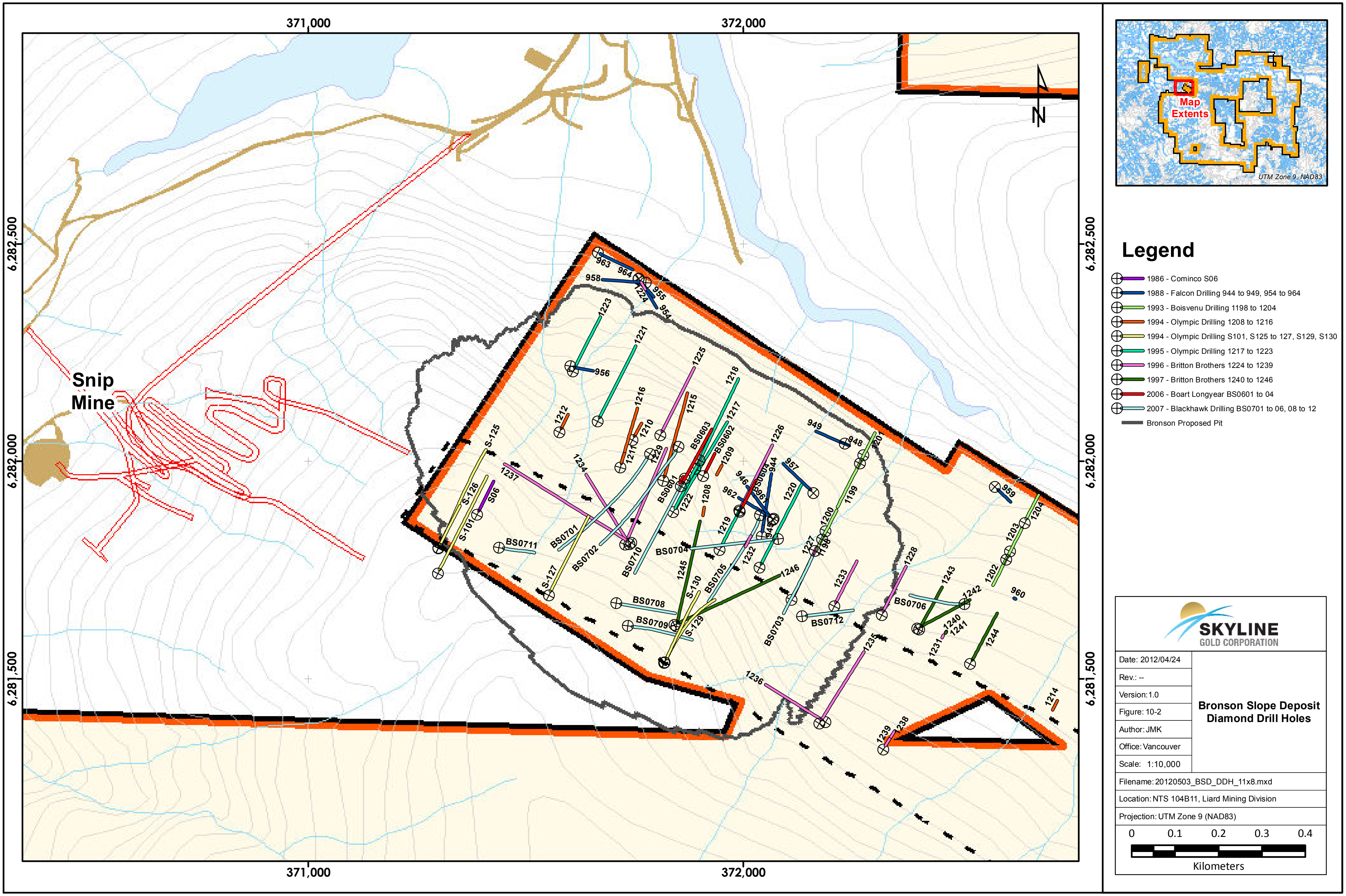
The history of exploration and drilling is given in **Item 6.3** and will not be repeated here. During 2011 and early 2012 Skyline compiled available drill hole data and results for the historical drilling on the Bug Lake prospects and this is given in **Appendix D.** Substantial drilling programs were undertaken in the period of 1987 through 1990 with 4,085.4 metres over 57 holes on the Swamp vein, Bluff vein, No.7 vein, Goldbug and Cooper Zone.

Of the 57 drill holes compiled on the Bug Lake area there are 41 separate intercepts that exceed a cut off of 2 g/t gold and **Appendix D** should be referred to. The gold content varies from the 2 g/t cut off to 85 g/t gold over a range of intercepts from 0.1 to 3.0 metres. **No estimation of the true thickness of the gold and silver intercepts has been estimated.** An evaluation of the results is in progress.

Mineralization is controlled along fracture planes and stereo-net plotting reveals that certain orientations are more likely to contain quartz veins. The following list summarizes the dominant joint, vein and fault attitudes of 145°/65° NE (Swamp, Bluff Veins) and 145°/65° NE (Swamp, Bluff Veins). Most of the drilling was usually somewhat perpendicular to the trend and dip of the mineralized vein structures. The structural and geological controls on the Bug Lake prospect are not well understood and Skyline will be completing geological mapping to further this evaluation.



371,000
372,000
373,000
374,000
375,000
6,282,000
6,281,000
6,280,000
6,279,000
Snip Mine
Bronson Creek
Sky Creek
S94-131
SB07-02
CS95-21
CS95-22
CS95-23
CS95-24
SK11-20
SK09-01
SK09-02
SK11-21
SK10-09
SK10-10
SK10-04
SK10-05
SK10-03, 06-08, 11-18
SK11-19
SK83-51
N
Map Extents
UTM Zone 9, NAD83
Legend
1983 Skyline DDH - SK83-51
1994 Snip DDH - S94-131
1995 Cominco DDH - CS95-21 to 24
2007 Spirit Bear DDH -SB07-02
2009 Skyline DDH - SK09-01 to 02
2010 Skyline DDH - SK10-03 to 18
2011 Skyline DDH - SK11-19 to 21
Other DDH
VLF Loop
Snip-Bronson Trend
SKYLINE GOLD CORPORATION
Date: 2012/05/03
Rev.: --
Version: 1.0
Figure: 10-1
Author: JMK
Office: Vancouver
Scale: 1:25,000
Snip-Bronson Trend Diamond Drill Holes
Filename: 20120503_SBT_JF_DDH_11x8.mxd
Location: NTS 104B11, Liard Mining Division
Projection: UTM Zone 9 (NAD83)
0 0.2 0.4 0.6 0.8 1
Kilometers



371,000
372,000
6,282,500
6,282,000
6,281,500
Snip Mine
N
Map Extents
UTM Zone 9, NAD83
Legend
1986 - Cominco S06
1988 - Falcon Drilling 944 to 949, 954 to 964
1993 - Boisvenu Drilling 1198 to 1204
1994 - Olympic Drilling 1208 to 1216
1994 - Olympic Drilling S101, S125 to 127, S129, S130
1995 - Olympic Drilling 1217 to 1223
1996 - Britton Brothers 1224 to 1239
1997 - Britton Brothers 1240 to 1246
2006 - Boart Longyear BS0601 to 04
2007 - Blackhawk Drilling BS0701 to 06, 08 to 12
Bronson Proposed Pit
SKYLINE GOLD CORPORATION
Date: 2012/04/24
Rev.: --
Version: 1.0
Figure: 10-2
Author: JMK
Office: Vancouver
Scale: 1:10,000
Bronson Slope Deposit Diamond Drill Holes
Filename: 20120503_BSD_DDH_11x8.mxd
Location: NTS 104B11, Liard Mining Division
Projection: UTM Zone 9 (NAD83)
0 0.1 0.2 0.3 0.4
Kilometers

11.0 Sample Preparation, Analyses & Security

11.1 2011 Diamond Drilling

Core samples were kept in a lockable building while in camp awaiting shipment to the preparation lab in Terrace, B.C.

Samples were consigned at camp to the charter Aircraft Company servicing the exploration program, typically Quantum Helicopters Ltd. Quantum would fly the samples to the Bob Quinn airstrip, where they would be transferred to trucks operated by Quantum Helicopters Ltd., UTM Exploration Management Ltd. (the company providing camp services and management to the project) or commercial carriers. The samples would be trucked directly to ALS Mineral's Terrace, B.C. sample preparation lab.

Upon receipt of the rock samples at the ALS preparation laboratory at Terrace, B.C., the samples were oven-dried at 60°C., followed by fine crushing to more than 70% passing a 2mm (Tyler 9 mesh) screen. A split of up to 1kg was taken followed by pulverization to greater than 85% passing a 75 micron (Tyler 200 mesh) screen. The resulting sample pulp was then sent to ALS Minerals analytical laboratory in North Vancouver, B.C. for analysis. The procedure codes and descriptions are listed in the following table.

Prep/Analytical Code	Description
WEI-21	Received Sample Weight
Log-22	Sample Login- Red w/o Barcode
PUL-QC	Pulverizing QC Test
CRU-31	Fine crushing- 70% <2mm
SPL-21	Split sample- riffle splitter
PUL-31	Pulverize split to 85% < 75um
Prep-31B	Split of 1kg and pulverize split to better than 85% passing 75 microns
Au-ICP21	Au by fire assay and ICP-AES. 30g nominal sample weight.
Au-GRA21 OL	Au by fire assay and gravimetric finish. 30g nominal sample weight
ME-ICP61	33 elements by aqua reqia ICP-AES
OG62 OLS	Four Acid Digestion with ICP-AES
Zn-OG62	Ore Grade Zn – Four Acid with Various Instruments
Au-AA23	Au 30g FA – AA finish

ALS Chemex is ISO 9001:2008 certified.

11.2 2010 Diamond Drilling

Sample Preparation

The laboratory selected to analyze Skyline's core samples during the first phase of drilling (holes SK-10-01 through SK-10-10) was Assayers Canada Ltd. of 8282 Sherbrooke Street, Vancouver, B.C. For the second phase (holes SK-10-11 through SK-10-18) ALS Laboratory Group of 2103 Dollarton Highway, North Vancouver, B.C. was selected. Core samples were submitted to their prep labs in Telkwa and Terrace, B.C. respectively.

Once at the prep lab, samples were dried, weighed, crushed, and split using a riffle splitter. A portion of the coarse crushed material was pulverized for 90 seconds and sieved through a 150 mesh size screen. A riffle splitter was then used to obtain a representative 200g split for analysis.

The pulp fraction was forwarded to the respect ALS Chemex is ISO 9001:2008 certified analytical facilities in Vancouver (Assayers Canada) and North Vancouver (ALS).

Sample Analyses

All samples were initially subjected to multi-element analysis by ICP. Additionally, gold was analysed by fire assay for all samples. Those samples for which the ICP analysis reported over limit for any of silver, copper, lead, or zinc were subsequently analysed for the over limit metal by assay. Samples having an initial gold concentration over 3 g/t were automatically reanalyzed using a screen for metallic's procedure to detect coarse gold.

Security

For all core samples processed during 2010, Skyline implemented a chain of custody procedure to ensure sample security. Drill core was handled at Skyline's core facility at Bronson Camp where doors were locked when unattended. Any core stored outside was marked in each core box row to detect tampering. Once packed in rice sacks, completed samples were stored in a locked sample storage shed room. Following sample transport by air, samples were either taken into possession by trusted personnel or held in secure storage until delivered to the prep labs where laboratory staff assumed custody.

Assayers Canada is a ISO 9001:2008 certified laboratory, and ALS Chemex has ISO 9001:2000 certification. Samples were submitted to the labs in rice sacks sealed with numbered locking security (NLS) ties. As laboratory personnel unpacked each rice sack, the NLS serial number was recorded along with the sample sequence therein contained. This information was sent by Email to the Project Geologist for verification against the data in the sample log.

11.3 2009 Diamond Drilling

The core was logged for geology and geotechnical data, photographed and then split using a diamond blade core saw. Once split, half the core was placed in a sample bag and the other half was returned to the core box. The remaining core has been stored at the Bronson Camp with the rest of the historic core from the property. Blanks, standards and duplicate samples were inserted into the sample stream at regular sample intervals. A total of 326 samples were shipped to the ALS Chemex preparation facility in Terrace, BC. The sample pulps were analyzed by ALS Chemex at their Vancouver lab for gold (30 g aliquot) by FA-AA (fire assay-atomic absorption) and for 35 elements by ICP-AES (inductively coupled plasma-atomic emission spectroscopy). Over limit results for silver, lead, zinc and copper were re-assayed. ALS Chemex is ISO 9001:2008 certified

All initial gold results greater than 1.0 g/t Au were re-analyzed by a gravimetric technique on a 50 g aliquot. Subsequently, sample rejects from 13 samples were re-submitted for screen metallic-total gold analyses given the presence of visual gold in the core and the high-grade results of several samples.

11.4 2009 Core Sampling For Magnetite

For all core samples processed during 2009, Skyline implemented a chain of custody procedure to ensure sample security. Drill core was handled at Skyline's core facility at Bronson Camp where doors were locked when unattended. Once packed in rice sacks, completed samples were stored in a locked sample storage shed behind the core shack. All core sample sacks, except one load, were flown by fixed wing aircraft from the Bronson Airstrip directly to Smithers Airport. The planes were met by personnel from either Skyline's expediter, Blue Bear Exploration Ltd., or from the laboratory, Assayers Canada. Blue Bear or Assayers Canada personnel then took possession of the samples at the airport and delivered them to the Assayers Canada sample preparation laboratory located at 1387 Birch Street in Telkwa, B.C. One load of sample sacks was flown from Bronson Camp by helicopter to a secure storage facility at Quantum Helicopter's base located at km 2 of the Eskay Road, near Bob Quinn Lake. This load was then picked up by personnel from Black Hawk Drilling Ltd. for transport by truck to Smithers. At Smithers, the sample sacks were passed to Blue Bear exploration that in turn passed them to Assayers Canada personnel for delivery to the laboratory. Assayers Canada is an ISO 9001:2008 certified laboratory.

All drill core samples submitted to the Assayers Canada sample preparation lab in Telkwa, BC were logged. Samples were dried, weighed, crushed, and split using a riffle splitter. The coarse reject fraction was placed into secure storage at the Assayers Canada Telkwa facility, while the split fraction was forwarded to the Assayers Canada facility in Vancouver for pulverization.

Once crushed splits were received at Assayers Canada's Vancouver facility, the routine procedure involved pulverizing for 90 seconds and sieving through a 150-mesh size screen. A riffle splitter was then used to obtain a representative 200g split. The split pulp samples were forwarded to Met-Solve Metallurgical Laboratories in Burnaby, BC (Met-Solve) for analysis. An orientation program was performed by Assayers Canada and Met-Solve to determine the pulverization time for optimal magnetite liberation and the sub sample size for optimal magnetite recovery.

The magnetic separator used for the magnetite analyses is a Davis Tube apparatus. The analytical procedure involves first weighing out a 20-gram dry pulp sample into a beaker and adding enough water to wet and cover the dry pulp sample. The discharge end of the Davis Tube is clamped off, and the Davis Tube filled with enough water to cover the magnet poles. The magnet is turned on and the slurry sample washed into the Davis Tube. The discharge hose clamp is unclamped to regulate a steady flow of water through the Davis Tube, and the tube is then agitated for two minutes, allowing the slimes or cloudiness to be washed out of the tube. Magnetic material is attracted and held fast in the magnetic zone between the two magnet poles. After two minutes the agitator is stopped, the magnet turned off, and the magnetic fraction flushed to the bottom of the tube. The magnetic material is then collected through the discharge tube, dried, and weighed to determine the percentage of magnetic material.

A series of ten standard samples from an orientation study subjected to 90-second pulverization of 20g samples was used for statistical analysis of laboratory standards.

Pulps obtained from Acme had been prepared from drill core in 2006 and 2007 and certain pulps were then submitted for magnetite analysis

During the 2006 and 2007 programs, Skyline had used a blank standard for gold and five separate standards for gold, copper, molybdenum, and silver that was inserted as rock pulps into the sample chain in the field. Before submitting the series of 2007 pulps for magnetite analyses, Skyline supplied Met-Solve with a series of standard QA/QC pulps for magnetite, including a supply of magnetite blank and two magnetite standards. Assayers Canada then removed all 2007 gold, copper, and molybdenum standards from the sample stream, replacing each with one of the new magnetite standards.

11.5 2007, 2006, and Historical Drilling

This is detailed in Burgoyne and Giroux (2008) at www.sedar.com.

During the 2007 and 2006 drilling programs the site security was documented and a protocol was developed as part of the Quality Assessment and Quality Control (QA/QC). A sampling/chain of custody was adhered to as outlined in Delong (2006b). The boxes of sealed core were delivered by helicopter to the Skyline logging facility directly from the drill sites by helicopter under the supervision of the drilling contractor. The lids for the boxes of core were removed carefully in the core facility where it was photographed; the boxes were labelled with aluminum tags showing hole number, box number and to/from measurements. The core was logged and split and sampled in the logging facility. At night when no employees were present, the core was placed in a locked cupboard. After sampling the split core, it is placed in poly bags with the appropriate sample tags. The individual sample bags are sealed with a numbered locking security (NLS) zap strap tie. This NLS tie number is recorded. The samples were then placed in sealed boxes and sent by aircraft and ground transportation to Acme Labs in Vancouver or Smithers, BC. *Acme Labs is an IS0 9001:2000* certified laboratory.

The pre 2006 site security at the Johnny Mountain and Bronson airstrip exploration camps is not documented; it is assumed that they followed normal mining company security standard of the time, which was strict. Normally drill core and bagged core samples were kept in a secure room or place. The chain of custody for the samples would be from the exploration personnel at the camps to commercial transport personnel and finally to the laboratory personnel in the respective analytical laboratories.

11.6 2011 Soil Sampling

Upon receipt of the soil samples at the ALS Chemex preparation laboratory at Terrace, B.C., the samples were oven-dried at 60°C., followed by screening to 180 micron (minus -80 Tyler mesh.) The resulting sample pulp was then sent to ALS Minerals analytical laboratory in North Vancouver, B.C. for analysis. The procedure codes and descriptions are listed in the following table.

Prep/Analytical Code	Description
WEI-21	Received Sample Weight
LOG-22	Sample login – Red w/o Barcode
LOG-24	Pulp Login – Red w/o Barcode
SCR-41	Screen to – 180micron and save both
Au-ICP21	Au by fire assay and ICP-AES. 30g nominal sample weight.
Au-GRA21 OL	Au by fire assay and gravimetric finish. 30g nominal sample weight
ME-ICP41	35 elements by aqua regia ICP-AES
OG46 OLS	Aqua regia digestion with ICP-AES

11.7 2011 Rock Sampling

Upon receipt of the rock samples at the ALS Chemex preparation laboratory at Terrace, B.C., the samples were oven-dried at 60°C., followed by fine crushing to more than 70% passing a 2mm (Tyler 9 mesh) screen. A split of up to 250g was taken followed by pulverization to greater than 85% passing a 75 micron (Tyler 200 mesh) screen. The resulting sample pulp was then sent to ALS Minerals analytical laboratory in North Vancouver, B.C. for analysis. The procedure codes and descriptions are listed in the following table.

Prep/Analytical Code	Description
WEI-21	Received Sample Weight
Log-22	Sample Login- Red w/o BarCode
CRU-31	Fine crushing- 70% <2mm
SPL-21	Split 250g sample- riffle splitter
Pul-31	Pulverize split to better than 85% passing 75 microns
Au- AA23	Au by fire assay and AAS. 30g nominal sample weight
Au-GRA21 OL	Au by fire assay and gravimetric finish. 30g nominal sample weight
ME-ICP61	33 elements by aqua reqia ICP-AES
OG62 OLS	Four Acid Digestion with ICP-AES

Soil and rock samples are kept in a lockable building while in camp awaiting shipment to the preparation lab in Terrace, B.C.

Samples were consigned at camp to the charter Aircraft Company servicing the exploration program, typically Quantum Helicopters Ltd. Quantum would fly the samples to the Bob Quinn airstrip, where they would be transferred to trucks operated by Quantum Helicopters Ltd., UTM Exploration Management Ltd. (the company providing camp services and management to the project) or commercial carriers. The samples would be trucked directly to ALS Mineral's Terrace, B.C. sample preparation lab.

12.0 Data Verification

The following Quality Assurance/Quality Control procedures were observed during the following programs.

2011 Soil Sample Field QA/QC Procedures

- Field samplers were requested to leave certain regularly occurring numbers unused while field sampling. These unused numbers were reserved for control samples. These control sample locations correspond to the sample numbers ending in the numerals 33, 66 and 99.
- Standardized control samples were inserted at these locations under controlled conditions in camp. The procedure of inserting the Standards usually took place while preparing the samples for shipment to the preparation lab. Standards used were CDN-CGS-13, CDN-CGS-15 (standardized for gold and copper) and OREAS 151a (standardized for gold, copper, molybdenum and sulphur).

2011 Rock Sample Field QA/QC Procedures

The following Quality Assurance/Quality Control procedures were observed.

- Field samplers left certain regularly occurring numbers unused while sampling in the field. Sample numbers ending with the numerals 33, 66 and 99 were left unused.
- Certified standardized samples or sample blanks were alternately inserted at the unused sample number positions under controlled conditions in camp. The procedure of inserting the standards and blanks usually took place while preparing the samples for shipment to the preparation lab.
- The Standards used were CDN-CGS-13, CDN-CGS-15, CDN-CGS-20, CDN-CGS-20a (standardized for gold and copper), OREAS-151a (standardized for gold, copper, molybdenum and sulphur) and sample blanks were from a supply of landscaping limestone kept for the purpose.

2011 Drill Core Sample Field QA/QC Procedures

The on-site sampling of the diamond drill core during the 2011 exploration program at Skyline's Iskut property included the insertion of both certified standards and blank rock medium.

A total of 1,059 core samples were submitted to the analytical lab and a total of 282 control samples, both standards, blanks, and field duplicates were submitted at regular intervals of each batch of core.

- A minimum of seven and up to eight quality control samples were inserted into every 100 core samples submitted. These control samples were inserted into the sample stream at every 15th position in the sample numbering sequence.
- The control sample matrix also has the provision for a discretionary blank and a discretionary standard:
    - A discretionary blank was available to the core logging geologist and its use was intended to test the possible degree of carry-over from sample to sample during the preparation stage in the analytical process in areas of high-grade mineralization. The application of the discretionary blank, when used,

required that it was inserted immediately after a well-mineralized core sample. This blank was placed in addition to the blank inserted as part of the regular control sample matrix.

  - A discretionary standard was inserted in close proximity to well mineralized intervals, either as one of the regularly spaced standards placed at every 15th sample position, or at another sample position. The geologist supervising the sampling was given the flexibility to implement the use of this standard if deemed appropriate.. The discretionary standards used were either of: CDN-GS-20A, which tests high-grade Au at 21.1 g/t Au, would typically be inserted in close proximity to semi-massive pyritic mineralization; or CDN-ME-2, a multi-element standard that tests Au, Ag, Cu and Zn, would be inserted in close proximity to areas of obvious elevated Cu and Zn mineralization.

- A field duplicate, in the form of a second half of core sample, was also submitted and was done so at the set frequency of 1 in 100. The second half core sample was collected immediately after every core sample that had a sample number whose last two digits were 50. The second half core sample was submitted immediately after its sample pair and was issued the next sample number. It was a requirement that both the original half core and second half pair were submitted in the same batch being submitted to the lab.

The following table gives details for the Control Sample Matrix for the 2011 core sampling program.

Sample Number	Control Sample Type
xxx00	CDN-CGS-20
xxx15	CDN-CM-15
xxx30	CDN-CGS-20
xxx45	Blank (landscaping limestone)
xxx51	Duplicate: sample numbers ending xxxx51, will be the full second half core of the interval sampled in xxx50
xxx60	CDN-CM-15
xxx75	CDN-CGS-20
xxx90	CDN-CM-15
*****	Up to one discretionary blank/100 samples

Skyline is very selective in the standards used in their control sample QAQC program. The level of two standard deviations ("SD") must be within 10% of the nominal value and the matrix of the standard must be similar to the rocks expected to be encountered on the property. Due to the tight tolerances placed on standard selection, it is Skyline's policy to accept data within three (3) standard deviations.

The tolerances, both nominal value and 2 SD value, for the certified standards used in the 2011 drill core sampling control sample matrix is listed in **Table 12-1**.

TABLE 12-1
CONTROL SAMPLE SPECIFICATIONS

Standard	Au (ppm) Nominal	Au (ppm) 2SD	Cu (%) Nominal	Cu (%) 2SD	Mo (%) Nominal	Mo (%) 2SD	Ag (ppm) Nominal	Ag (ppm) 2SD	Zn (%) Nominal	Zn (%) 2SD
CM_15	1.253	0.118	1.280	0.090	0.054	0.004	n/a	n/a	n/a	n/a
CGS_20	7.750	0.470	3.360	0.170	n/a	n/a	n/a	n/a	n/a	n/a
ME_2	2.100	0.110	0.480	0.048	n/a	n/a	14.000	1.300	1.350	0.100
GS_20A	21.12	1.540	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

An evaluation of the QA/QC drill core data is illustrated in **Figures 12-1, 12-2,** and **12-3**. These figures present the data for blanks (14 samples), the CM 15 standard (31 samples), and the core assays vs assay duplicate analyses for gold, silver, copper and molybdenum (96 samples).

Skyline also completed an evaluation for the CGS 20 standard (30 samples), an ME 2 standard (for six samples). This data is not presented here but confirmed that the results of these two standards gave similar results to the data presented.

A total of 14 blanks were submitted with the 2011 core samples. The blank analyses were monitored for Au, Ag, Cu, and Zn. The highest assay received for the blanks is 0.024ppm for Au, 2.3ppm for Ag, 27ppm for Cu and 225 ppm for Zn. The elevated Zn value is higher than expected and close monitoring of Zn values in future blank analyses is recommended. These results are consistent with what is expected for blank samples, and are not indicative of contamination at any stage of sampling, sample transport, sample preparation, or analyses. Note **Figure 12-1**.

In **Figure 12-2** a total of 30 CGS_20 standards were submitted. All Au analyses were within 2 standard deviations, one Cu analysis, sample number M960230, was slightly below three standard deviations. Closer monitoring of the standards is recommended as the one Cu analysis for standard CGS_20 is beyond 3SDs and should have been rerun with adjacent samples. This failure is considered minimal and no follow up work is warranted. This indicates a high level of analytical precision and repeatability.

A total of 31 CM_15 control samples were submitted in the core samples from 2011. Only one, sample number M962090, analysed slightly below three standard deviations. All Cu and Mo analyses were within 3SD. Closer monitoring of analyses is recommended.

The plots for CM 15 are not reported here. A total of 6 ME_2 control samples were used as part of the QAQC control sample program used to test the drill core analyses in 2011. The Au, Cu, and Zn all preformed within range. One Ag analysis, sample number M960215, analysed 16 ppm and is slightly above the 3SD level of 15.95 ppm. This failure is considered minor and is not high enough to be of concern. As mentioned earlier it is critical to monitor the control samples for compliance on metal levels. The plots for ME 2 are not reported here as this group only entailed 6 samples.

Future failures, beyond 3SDs should be reported to the lab and that control sample as well as adjacent core samples must be rerun.

Duplicate Samples

Skyline's 2011 diamond drill core assay procedures included four duplicate sample types; field duplicates, preparation duplicates, assay duplicates, and second lab duplicates.

The field duplicates were selected by Skyline geological staff. The preparation, assay, and second lab duplicates were created by Chemex and were done so at the request of Skyline. The preparation and assay duplicates were analysed in the same batch as the original assay sample.

Field Duplicates: are represented by the second half of core being sampled in its entirety at a frequency of 1 per 100 samples and were collected by Skyline staff. Every drill core sample that had a sample number where the last two digits were equal to "50", had their corresponding second half core sampled and assigned the next sample number in sequence. It was mandatory that both the original half and second half core duplicate ("SecHalfDup") were sent in the same sample batch.

Preparation Duplicates: were collected as part of a set procedures carried out by Chemex at the request of Skyline. The preparation duplicates ("PrepDups") are represented by second splits taken from the coarse reject. The PrepDups were collected, pulverized, and analysed with the same methods as carried out on the regular core samples. Sample numbers assigned to the PrepDups was done by Chemex laboratory staff and the naming convention for these was to append a suffix of "P" to the sample number. This would yield a sample number of M962152P for the PrepDup of sample number M962152. The frequency of the PrepDups is every 11^{th} sample in each batch of core. A total of 96 PrepDups were collected and analysed during the 2011 drill program at the Iskut Property.

Assay Duplicates: were also collected as part of a set procedures carried out by Chemex and were also collected at the request of Skyline. The assay duplicates ("AssayDups") are represented by second splits taken from the original pulp. The AssayDups were split and analysed with the same methods as carried out on the regular core samples. Sample numbers assigned to the AssayDups was done by Chemex laboratory staff and the naming convention for these was to append a suffix of "D" to the sample number. This would yield a sample number of M962151D for the AssayDup for sample number M962151. The frequency of the AssayDups is every 10^{th} sample in each batch of core samples. A total of 96 PrepDups were collected and analysed during the 2011 drill program.

Second Laboratory Duplicates: are represented by additional splits of the original pulp and were collected by Chemex. The second laboratory duplicates ("SecLabDups") were requested by Skyline and were collected by Chemex laboratory staff. The SecLabDups were collected at a frequency of every 10^{th} sample in each batch of core and coincided with the AssayDup samples. These SecLabDups have been collected and are stored for analyses in 2012. A second has not yet been selected for the analyses of the SecLabDup samples. It is expected that the analyses methods to be carried out on these samples will closely mirror those used by Chemex to analyse the core samples.

In **Figure 12-3** the original core assays are plotted against assay duplicate values of 96 samples for gold, silver, copper and zinc. The correlation of coefficient (R^2) for gold is 0.977, silver is 0.996**,** copper is 0.994, and zinc is 0.999. These correlations are very good and no analytical problems are indicated.

The results of PrepDups (96 samples) is a test of the variability one can expect to see at the reject splitting stage. Correlation of coefficient varied from 0.932 to 0.99 depending on the metal. Plots for these values are not given here.

The field duplicate set (12 samples)is the "AssayDup" with is the second half of core sample are not given here but gives a test on the variability at the geological sample selection level.

ALS Minerals Quality Control Report

ALS Minerals prepared a 14 page Quality Control Report (ALS Minerals, 2012) on 4452 samples including drill core, rock, soil and pulp sample types for the 2011 exploration program that were submitted to ALS Chemex for analyses. The writer has reviewed the report and the quality control procedures included a fineness test to ensure proper crushing and pulverizing, the analysis of blanks, internal standards and duplicates for gold, silver, copper, lead, and zinc that were done in the laboratory through 2011. All of the statistical tests and graphs indicate good quality control and precision.

2010 Drill Core Sample Field QA/QC Procedures

The 2010 Drill Program saw 2,496 samples analysed, including 2,332 diamond drill core samples and 164 QA/QC samples of the following four types: field blanks, field duplicates, field standards and check analyses. In addition to the field QA/QC checks, each laboratory operates its own in-house QA/QC system for internal checks and this is reported to Skyline upon request.

- **Field Blanks**: field blanks consisting of coarse crushed white marble were inserted into the sample stream at approximately every 50th sample, for a total of fifty-one blank rock samples. Field blanks would be inserted immediately following samples containing visual mineralization where possible, to detect carryover (cross-contamination between samples) during sample preparation. The samples were submitted blind to the lab where they were prepared and analysed the same as every other sample.
- **Field Duplicates**: were prepared approximately every 50th sample for a total of forty-five duplicate core samples. Duplicate samples were obtained by first sampling half the core as usual, with the duplicate sample making up the second half of core, numbered with the next sequential sample number following the original sample, and submitted blind to the laboratory where it is prepared and analysed the same as every other sample.
- **Field Standards**: to test for analytical accuracy of assays and systematic analytical deviations, field standards were inserted into the sample stream at approximately every 40th sample, for a total of sixty-eight standard samples. The standards were submitted blind to the assay laboratories. Standards were commercially prepared by CDN Research Laboratories Ltd. ("CDN") and certified by Smee and Associates Consulting Ltd. The five standards used were: CDN-CGS-12, CDN-CGS-13, CDN-CGS-15, CDN-GS-20A and CDN-ME-2.
- **Check Analyses**: to confirm analyses of the laboratory used in the first phase of drilling (Assayers Canada), a series of sample pulps were selected by Skyline for

analysis at a check laboratory. Pulps of two core samples from each of the ten holes for a total of twenty check analyses, representing both high and low grade gold and base metals, as well as each of the field standards, a field black and a field duplicate, were submitted to a check laboratory (ALS Laboratories). To preclude the possibility of communication between the labs, check samples were repackaged by Skyline and assigned new sample numbers before being sent to the ALS Laboratories facility in North Vancouver, BC for analysis.

The QA/QC program indicated that no significant analytical problems were encountered and no significant cross-contamination of samples occurred. The assay values as reported are considered reliable.

2009 Drill Drill Core Sample Field QA/QC Procedures

The 2009 Drill Program implemented the following QA/QC procedures:

- **Field Blanks**, composed of coarsely crushed limestone landscaping material, were inserted approximately every 25th sample for a total of 13 field blanks submitted for analysis.
- **Field Standards** were inserted into the sample sequence to gauge the accuracy of the laboratory's analyses. Two standards were used during the sampling program: CDN-CGS-12 and CDN-CGS-19 from CDN Resources Laboratories Ltd., whose analytical values have been independently verified.
- **Field Duplicates** were collected approximately every 30th sample by quartering a half core sample to obtain two separate samples from the same location. A total of eleven duplicates were collected and submitted for analysis.

▪ All blank samples returned values at or below detection limits for all elements of interest with three exceptions. Two blank samples returned values of 39 and 10 ppb Au were prepared directly after samples returning in excess of 14 g/t Au, while the third sample returned 4.5 g/t Ag and was prepared immediately after a sample returning 99 g/t Ag. While this does indicate a degree of cross-contamination following high-grade samples, the degree of upgrading is not deemed significant and does not impair the quality of this data set. In future work, crushers and pulverizers should be "washed" with barren material after samples containing, or suspected of containing, visible Au.

▪ Review of standards indicates a slight high bias in Au and Cu, however all standards were well within warning limits with almost all standards falling within one standard deviation of their accepted values. The dataset is therefore considered accurate.

▪ Field duplicate analysis indicates that, for most elements, the dataset shows acceptable levels of precision and reproducibility. Visible Au was noted in several intervals of drill core and when high-grade Au outliers is accounted for, Au, Ag and As also are shown to have acceptable levels (30%) of precision. However, Pb and Zn were not reproducible at acceptable levels of precision. The lack of reproducibility with respect to Pb and Zn is likely due to the nature of sphalerite and galena mineralization which is distributed as veins and irregular replacement textures. With the exception of a "nugget effect" in Au, Ag, As, Pb and Zn, particularly in high-grade Au intervals, the dataset is considered reproducible in all other elements.

2009 Magnetite Sampling Program

The 2009 drill-sampling program contained a good QA/QC protocol that has established good repeatability and relatively low variance for the sample chains. This QA/QC program has demonstrated no laboratory contamination and good accuracy. The 2009 core sampling program involved a very extensive QA/QC evaluation. Protocols used the following six types of samples which were prepared and analysed as QA/QC checks, by either Skyline field personnel or the assay lab:

- Field blanks;
- Field duplicates;
- Field standards;
- Laboratory duplicates;
- Laboratory repeats;
- Laboratory standards.

Of the thirty-three blank rock samples submitted, thirty-two returned values below the detection limit, while a single sample returned a value of the detection limit (0.1%). These results are consistent with what is expected for blank samples, and are not indicative of contamination at any stage of sampling, sample transport, sample preparation, or analyses.

Analyses results from the thirty-five field duplicate samples when plotted give good correlation to the original samples. The R^2 for the field duplicate data set is 0.98. This degree of scatter is expected, and not indicative of any analytical problem.

Standard samples were prepared by packaging 70g packs of the prepared standard material in small paper envelopes. These were then placed in standard rock sample bags and inserted into the sample sequence approximately every 30th sample, for a total of seventy-seven standard samples.

Analysis results of the eighty-five laboratory duplicate samples give a very good correlation with an R^2 of 0.99. No analytical problem is indicated. Analysis results of the twenty-four laboratory repeat samples give an almost perfect correlation with an R^2 of 1.00. No analytical problem is indicated.

The QA/QC program indicates that no significant analytical problems were encountered, and no contamination of samples occurred. The assay values as reported are considered reliable.

2006 & 2007 Drill Programs

Quality Control and Quality Assurance Programs for the 2006 and 2007 drilling which were directed toward the definition of gold-silver-copper-molybdenum mineralization grade are detailed in Burgoyne and Giroux (2008) and given on www.sedar.com and are not repeated here. These programs included inserted standards, duplicate sample insertion, check analyses, and laboratory internal standards. Likewise the Quality Assurance Programs for pre 2006 (historical) drilling are detailed in Burgoyne and Giroux (2007) and given on www.sedar.com and are not repeated here.

Skyline instituted a QA/QC program where varying contents of gold, copper and gold, and molybdenum for rock standard pulps, totalling 65 samples, were inserted into the sample chain at different times that were analysed for the four elements named above. All of these samples were analysed at ACME laboratories. In addition Skyline completed additional duplicate analyses (“re assays) of pulps for gold, copper, molybdenum and silver of 59 samples; these samples were sent to a second laboratory, ALS Chemex

Labs. The primary metals of QA/QC concern is gold and copper because of their economic significance in the Bronson Slope Deposit.

The 2007 and 2006 drilling programs contained a good QA/QC protocol that has established good repeatability and relatively low variance for the sample chains. This QA/QC program has demonstrated no laboratory contamination and good accuracy.

Pre 2006 Historical Drill Programs on Bronson Slope Deposit
There is no record that any regular QC/QA or quality control/quality assurance program, as is common today, was in place with respect to sampling and subsequent assaying and analyses. The period in which the exploration drilling and sampling was done at Bronson Slope, in the 1990's, was before formal QA/QC became established in the mineral exploration industry and the widespread use of duplicates, blanks and internal standards. It does appear, however, that there was substantial re-sampling and re-analyses of drill core and some inter laboratory checks. The analytical laboratories used by Skyline include Chemex Labs Ltd. and Rossbacher Laboratories Ltd., and these labs maintained a series of internal standards and checks.

Technical Review by Author

All of the exploration work conducted on the Iskut Property from 1988 through 2011 was performed by competent, professionally qualified persons. There is no reason to doubt the quality or veracity of these data. The writer did not collect any samples for analyses during the course of the recent field examinations. Enough drilling and sampling has been done in the period of 1988 through 2011 to provide a reasonable assessment of average grades and, in the view of the writer, the collection of a few surface samples for analyses would not provide any meaningful results.

The due diligence studies by the author include those completed during the site visits and review of the data on this property during 2006, 2007, 2009. This evaluation work is summarized as:

- Property site visits including review of geology, mineralization and site setting.
- An examination of drill core at the Bronson Airstrip both historical and later programs.
- The writer completed the QA/QC analyses for the 2006, 2007, and 2009 programs.
- The writer has reviewed the 2009 to 2011 QA/QC results and is confident that the results presented are fair and accurate.
- A detailed review of a large database of technical reports and many maps and sections dealing with the property.
- A review of the geologic model with respect to controls on mineralization at the Bronson Slope deposit.
- Auditing and checking of calculations leading to Mineral Resource estimates, a review of the drill hole and analysis database and resource methodology parameters, and evaluation of mineralized cross-sections.
- Detailed review of the QA/QC procedures.
- A detailed review of all mine development studies undertaken in 2007 through 2010.

FIGURE 12-1
SKYLINE DRILL CORE EXTERNAL CONTROL BLANKS

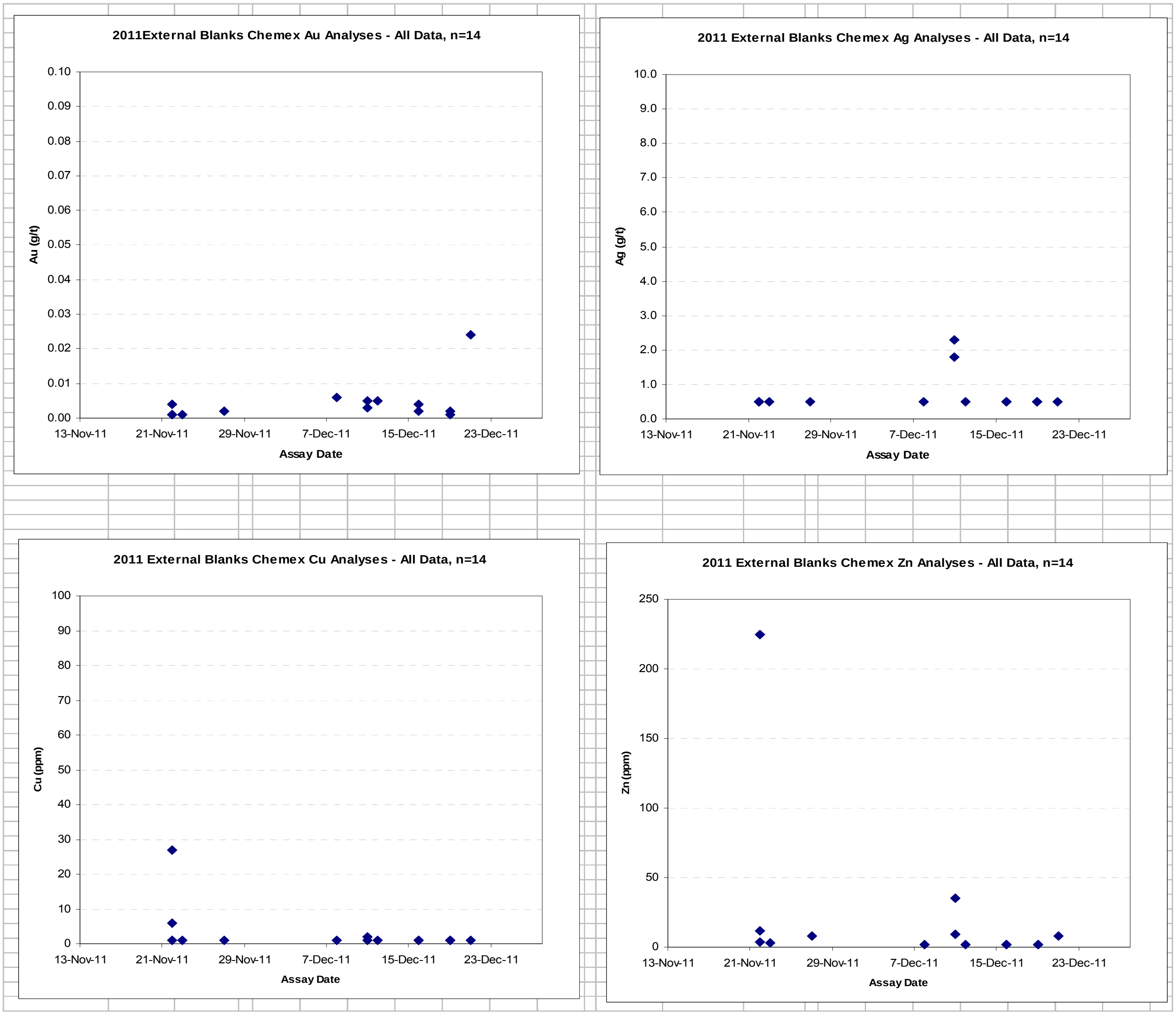
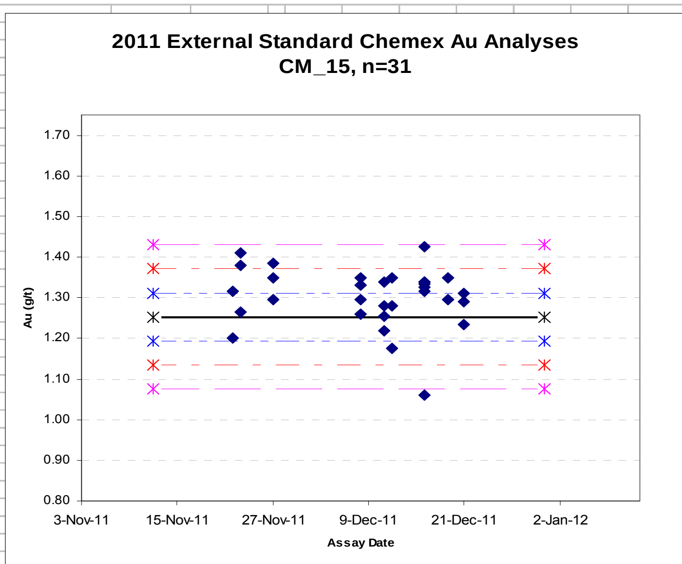
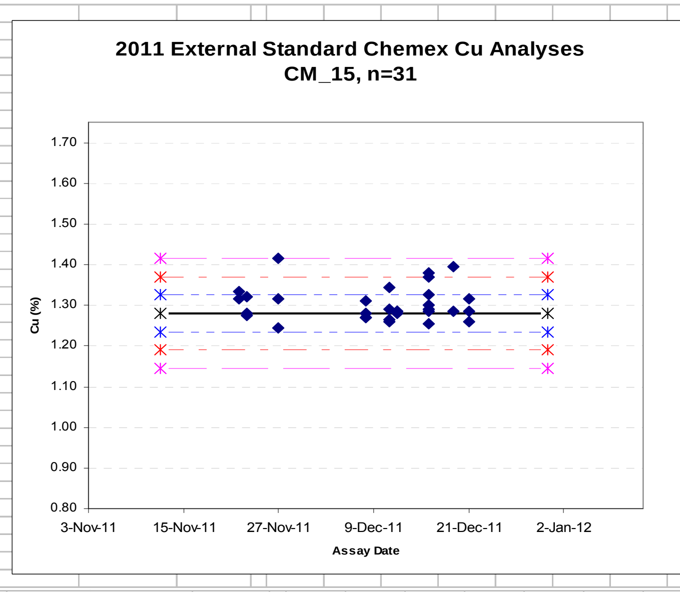


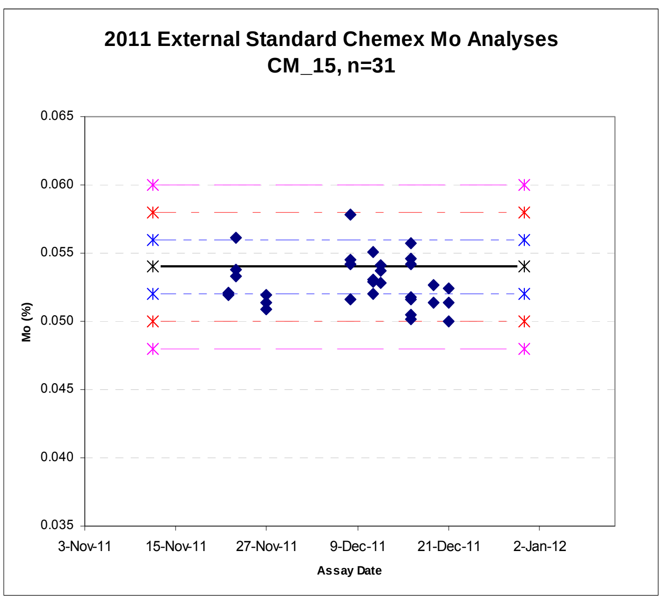
FIGURE 12-2
SKYLINE DRILL CORE EXTERNAL STANDARDS CM 15





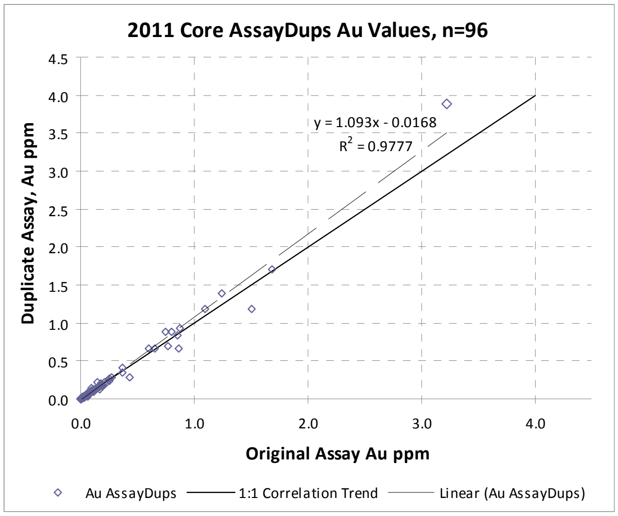
1.253+/-0.118 (2SD) Au	0.059	**Nom**	**1StdLw**	**1StdUp**	**2StdLw**	**2StdUp**	**3StdLw**	**3StdUp**
1.280%+/-0.090 (2SD) Cu	11/12/2011	1.253	1.194	1.312	1.135	1.371	1.076	1.43
0.054%+/-0.004 (2SD) Mo	12/31/2011	1.253	1.194	1.312	1.135	1.371	1.076	1.43

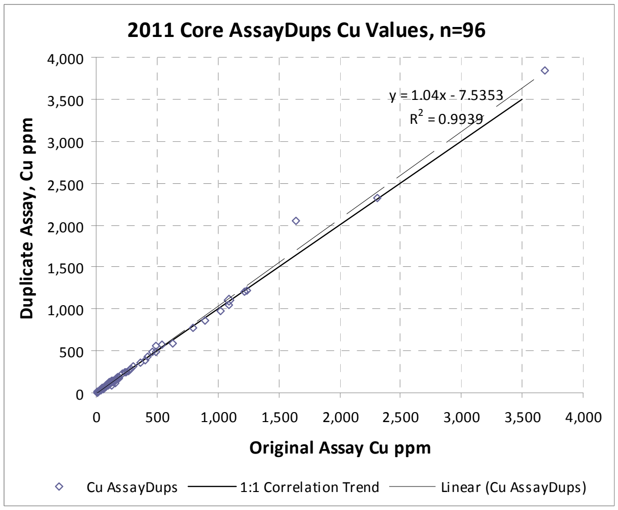
1.253+/-0.118 (2SD) Au	0.045	**Nom**	**1StdLw**	**1StdUp**	**2StdLw**	**2StdUp**	**3StdLw**	**3StdUp**
1.280%+/-0.090 (2SD) Cu	########	1.28	1.235	1.325	1.19	1.37	1.145	1.415
0.054%+/-0.004 (2SD) Mo	########	1.28	1.235	1.325	1.19	1.37	1.145	1.415

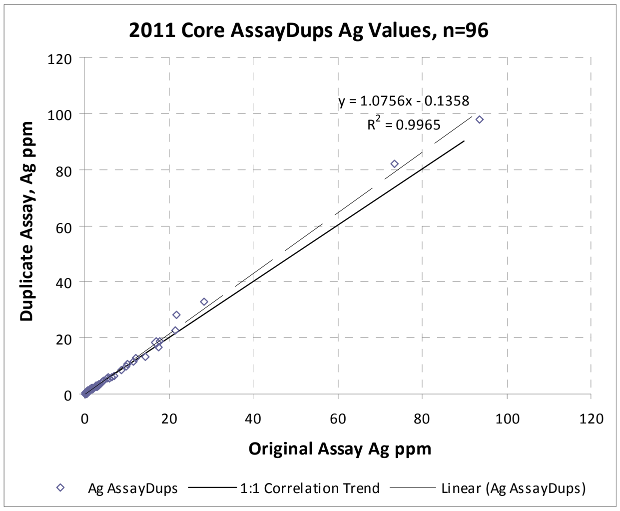


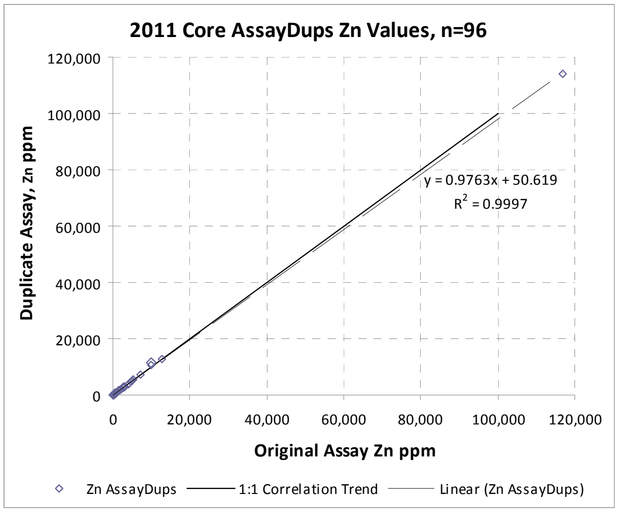
1.253+/-0.118 (2SD) Au	0.002	**Nom**	**1StdLw**	**1StdUp**	**2StdLw**	**2StdUp**	**3StdLw**	**3StdUp**
1.280%+/-0.090 (2SD) Cu	11/12/2011	0.054	0.052	0.056	0.05	0.058	0.048	0.06
0.054%+/-0.004 (2SD) Mo	12/31/2011	0.054	0.052	0.056	0.05	0.058	0.048	0.06

FIGURE 12-3
CORE ASSAY DUPLICATE CORRELATION CHARTS









13.0 Mineral Processing & Metallurgical Testing

An extensive amount of mineral processing and metallurgical testing has been completed and limited to drill core samples from the **Bronson Slope** copper-gold-silver-molybdenum porphyry deposit and this **Item** covers in summary form this information.

A metallurgical study (Klein 2008b) was conducted on two bulk samples from the High Wall zone (HW) of gold mineralization of the Bronson Slope Deposit. Testing was on two separate samples (C1, C2) representing two separate drill holes, #S127 and #1246, respectively. Sample C1 graded 0.368 g/t Au and 0.023% Cu and sample C2 graded 0.68 g/t Au and 0.030% Cu. The samples were subjected to three sets of tests including Pre-concentration, Dense Media Separation (DMS) tests, Gravity Recoverable Gold test and Flotation tests. The pre-concentration test for C1 resulted in 88% gold recovery with a rejection of 51% of rock as floats and sample C2 recovered 80% of the gold with a 35% rejection of the rock as floats. These results are positive and a successful application of pre-concentration could have a significant impact on the project economics through savings in material handling, processing cost, and waste management. Gravity recoverable gold tests determined that a significant part of the High Wall gold zone occurs as free gold. Of the gold in samples C1 and C2, 17.7% and 18.4% respectively, was recovered by gravity separation. For samples C1 and C2, the overall gravity concentration plus rougher flotation Au recoveries were 84.8% and 83.3%, respectively; the corresponding Cu recoveries were 95.2% and 92.5%, respectively.

The following discussion of copper, gold, silver, and molybdenum metallurgical studies and recoveries are detailed in Gray (2010), Lawrence and Seen (2009) and Burgoyne and Giroux (2008). Detailed metallurgical discussions are given for the 1994, 1995, 1996 and 1997 programs, which are detailed in Burgoyne and Giroux (2008). These reports can be found on www.sedar.com. The following is a summary of this information. Skyline Gold has performed a series of metallurgical studies on Bronson Slope drill core samples from 1994 to 1997 as part of engineering scoping and process flow sheet development studies.

- In 1994 Lakefield Research was commissioned by SGC to conduct a preliminary metallurgical testing of the Bronson Slope ore. The purpose of the test was to determine recoverability of copper gold minerals using a conventional flotation method.
- In January 1995 SGC commissioned Process Research Associates (PRA, Vancouver, BC) to conduct additional metallurgical test work to further define the expected metallurgical results.
- In 1996 further metallurgical testing was commissioned by PRA and Beattie Consulting Ltd. The program was designed to assess the preliminary ore characterisation, copper and molybdenum flotation and acid base accounting test work.
- In 1997 PRA was retained by SGC to undertake an expanded metallurgical test work program. The objective was to obtain design criteria as part of a feasibility study.

From then onwards no further metallurgical work has been carried out until recently in 2007 some testing has been conducted on some drill core samples of high wall material, which hasn't been tested before.

The report entitled "Metallurgical Study on the Bronson Slope Samples" by Process Research Associates (PRA), 1997 forms the basis for metallurgical comments within this report. Some coarse gold effect was observed in the average composite sample since gold grade of this sample varied from 0.37g/t to 0.86g/t. Gravity recovered gold of 25.5% with a gold content of 23.8g/t gold was recovered using a gravity Knelson concentrator. Other composite samples were also tested. The gold recovery varies from 18.7% for the upper sediment to 38% for the quartz magnetite. The study showed that pre-concentration with a gravity separator should be included in the process to recover the coarse gold that will not be recovered by the flotation process. The Bond millwork index of the composites ranged from11.5 kWh/tonne to 13.3 kWh/tonne. The specific gravity ranged from 2.72t/m^3 to 2.83t/m^3.

Table 13-1 and **13-2** give a comparison of gold, copper, silver, and molybdenum grades from metallurgical testing of 1996 and 1997 core bulk samples to un-weighted average assay and weighted average assay grades in the drill core.

TABLE 13-1

HEAD ASSAY OF COMPOSITES

Composites		Average	US	USO	PPY	QM	SP	HG
		Average Blend	Upper Sediment	Upper Sediment Oxidized	Porphyry	Quartz Magnetite	Starter Pit	High-grade
Au	g/t	0.472	0.446	0.776	0.369	0.518	0.517	0.724
Ag	g/t	2.44	2.42	3.18	2.66	2.79	2.74	3.72
Cu	%	0.192	0.206	0.252	0.133	0.181	0.227	0.358
Mo	%	0.007	0.009	0.014	0.008	0.006	0.007	0.009
Fe	%	6.43	4.76	4.03	5.66	7.48	7.06	7.11

TABLE 13-2
COMPARISON OF ASSAY GRADES OF
COMPOSITED METALLURGICAL TEST SAMPLES (1996, 1997)

METALLURGICAL ASSAYING									
Comp. Sample Name		**BC**	**US**	**USO**	**PPY**	**QM**	**SP**	**HG**	Average of
No. Of Tests		28	3	2	2	4	2	2	All Comps
Average Metallurgical	Au g/t	0.472	0.446	0.776	0.369	0.518	0.517	0.724	0.546
Calculated Head Grades	Ag g/t	2.44	2.42	3.18	2.66	2.79	2.74	3.72	2.85
	Cu %	0.192	0.206	0.252	0.133	0.181	0.227	0.358	0.221
	Mo %	0.007	0.009	0.014	0.008	0.006	0.007	0.009	0.009

CORE SAMPLE ASSAYING									
Comp. Sample Name		**BC**	**US**	**USO**	**PPY**	**QM**	**SP**	**HG**	Average of
No. Of Core Samples		1488	462	195	199	817	115	145	All Comps
Unweighted Average	Au g/t	0.50	0.49	0.9	0.4	0.54	0.58	0.66	0.58
Assay Grades	Ag g/t	2.60	2.7	3.3	2.5	2.6	2.9	3.1	2.8
	Cu %	0.18	0.19	0.23	0.14	0.18	0.19	0.24	0.19
	Mo %	0.005	0.008	0.013	0.006	0.003	0.004	0.007	0.01
Comp. Sample Name		**BC**	**US**	**USO**	**PPY**	**QM**	**SP**	**HG**	Average of
No. Of Core Samples		1488	462	195	199	817	115	145	All Comps
Weighted Average	Au g/t	0.47	0.47	0.99	0.4	0.49	0.54	0.63	0.57
Assay Grades	Ag g/t	2.3	2.2	3.3	2.2	2.4	2.3	3.1	2.5
	Cu %	0.16	0.18	0.23	0.13	0.16	0.17	0.23	0.18
	Mo %	0.004	0.007	0.013	0.006	0.003	0.003	0.007	0.006

No. = Number — BC = Bulk Composite 350 m Pit (1996) — PPY Porphyry (1997)
Comp. = Composite — US = Upper Sedimentary Rock (1997) — SP Starter Pit (1997)
USO = Oxidized Upper Sedimentary Rock (1997) — HG High-grade Sample

The projected copper and gold recoveries of the bulk copper flotation are as follows.

- Average composite – 84% Au, 87% Cu, 61% Ag, 46% Mo at 27% copper concentrate.
- Upper Sediment – 82% Au, 89% Cu, 68% Ag, 58% Mo at 24% copper concentrate.
- Upper Sediment Oxidised – 88% Au, 82% Cu, 50% Ag, 52% Mo at 22.8% copper concentrate.
- Porphyry – 83% Au, 83% Cu, 67% Ag, 53% Mo at 20% copper concentrate.
- Quartz Magnetite – 88% Au, 87% Cu, 66% Ag, 33% Mo at 19% copper concentrate.
- Starter Pit – 87% Au, 88% Cu, 66% Ag, 43% Mo at 24% copper concentrate.
- High-grade – 86% Au, 90% Cu, 68% Ag, 53% Mo at 22% copper concentrate.

The recovery of gold is a combined gravity and flotation recovery.

Magnetite Mineral Processing and Recovery

Klein (2008a) completed metallurgical and marketing studies with respect magnetite that could be recovered from the **Bronson Slope** deposit. The market study estimated the amount of magnetite used for BC and Alberta Coal industries for dense media separation and the metallurgical study assessed the properties of the Bronson Slope magnetite use in dense media. Dense media separation is a process in which finely ground magnetite is mixed with water to create a medium that has properties of a dense liquid. Specifically when coal and rock particles are added to the medium, the low-density coal particles will float while the high-density rock particles will sink thereby facilitating separation of coal from waste rock. The dense media is used in two types of separators referred to static separators, such as the dense media drum or dynamic separators such as the dense media cyclone. The specifications for magnetite used in dense media applications are as follows:

Particle size: 90% passing 325 mesh
Density: >4.7 g/cm3
Magnetics content: >93% magnetics

Based on the study by Klein (2008) the estimated usage of magnetite by BC and Alberta Coal Mines for 2007 was 52,743 tonnes.

Klein (2008) completed metallurgical testing from bulk samples obtained from drill core from the Quartz Magnetite Unit of the Bronson Slope deposit. The testing confirmed the metallurgical process, determined the grinding work index for regrinding and characterizes the magnetite product with respect to the specifications. The testing involved grinding and flotation to recover copper sulphides. The flotation tailings were used for magnetic separation testing.

The quartz magnetite sample used for the testing graded 8.94% Fe, 0.27% Cu, and 0.91 g/t Au. From flotation, the copper concentrate contained 79.1% of the copper and the combined flotation-gravity concentration gold recovery was 81.7%. The flotation tailings were subjected to three stages of magnetic separation. The final product had a density of 4.97 g/cm^3 and magnetic content of 99.9%. These specifications exceed those required for dense media confirming that a high-grade magnetite product can be produced that is suitable for dense media separation. The product accounted for 3.68% of the feed mass and contained 28% of the total iron. Based on rougher mass it is expected these values could be increased to close to 10% and 55%, respectively.

Klein (personal communications, 2010) estimates an approximate 95% recovery of the magnetite can be possible although this must be confirmed in further metallurgical studies.

This report by Klein (2008) gives details on Magnetite Usage, Metallurgical Balance Test Report, Metallurgical Balance Flow sheet, Flotation Test Report, Davis Test Tube Report, and Particle Size Analysis.

14.0 Mineral Resource Estimation

Bronson Slope 2008 Copper-Gold-Silver-Molybdenum Resource Estimate

The Bronson Slope Deposit hosts a porphyry gold-copper-silver-molybdenum deposit. The current mineral resource estimate has been based on exploration and drill hole work from 1988 through 2007, completed by Skyline Gold that is considered to be of good quality that meets industry standards. The current mineral resource has been estimated for the Bronson Slope deposit that meets CIMM resource standards and classifications. For details of the mineral resource estimate and calculations refer to "Mineral Resource Estimate – Bronson Slope Deposit", dated April 30, 2008, authored by A. A. Burgoyne, P.Eng., M.Sc. of Burgoyne Geological Inc and G. H Giroux, P. Eng. of Giroux Consultants Ltd and., and posted on SEDAR at www.sedar.com on September 16, 2008.

The Bronson Slope Deposit has been mostly explored by surface core drilling where a total of 92 drill holes totalling 19,320 metres have been drilled in 1965, 1986, 1988, 1993 to 1997, 2006, and 2007. Most of the drilling occurred between 1993 and 1997. This drilling has defined a mineralized porphyry gold-copper-silver-molybdenum system in the order of 1.5 km long and 0.4 to 0.6 km wide.

Five separate lithologic domains are present and the grade for Cu, Au, Ag, and Mo distributions within the individual lithologies were evaluated through log normal frequency plots. A capping procedure was used to minimize the effects of isolated high assays. In almost all cases the capping threshold was set at 2 standard deviations above the mean of the next lowest population.

Drill holes were "passed through" the geologic solids with the point at which each hole entered and left each solid recorded. Uniform down hole 10 m composites were formed that honoured the solid boundaries. Composites at the boundaries less than 5 m were combined with adjoining samples while those greater than 5 but less than 10 were left as is. The result is a composite file of uniform support with all composites between 10 and 5 m in core length.

Since the data within any one of the lithologic domains was limited all composites were modeled using pair wise relative semivariograms. Models were created for gold, silver, copper and molybdenum. In all cases the horizontal plane was modelled using a number of different directions to find the direction of maximum continuity. Once found, the vertical plane perpendicular to this direction was modelled.

A total of 88 bulk density measurements have been made on crushed core at Bronson Slope by Acme Analytical Laboratories. Three of the five geologic domains were sampled including US (Upper Sediments), PPY (Porphyr) and QM (Quartz Monzonite). The average of the three domains is 2.76.

A geologic model was completed by Skyline geologists using Surpac software. Five geologic solids were created based on sectional interpretations. A block model of 10 x 10 x 10 m blocks was superimposed over these solids. For each block the percentage below topography and inside the respective solids was recorded.

Each of the five geologic domains was compared to its neighbours using contact plots. These plots examine the contact between two units and compare the average grade of a variable as a function of distance from the contact. These plots are useful to determine if hard or soft boundaries should be used during estimation of grade. Contact plots were produced for each variable on each domain contact.

Grade estimation was completed by ordinary kriging using search ellipses tied to the semivariogram ranges both in distance and orientation. The estimation process was run for each variable in a series of passes. Pass 1 used ¼ of the semivariogram range in the three principal directions of continuity. A minimum of 4 composites was required to estimate the block. For blocks not estimated in Pass 1 a second pass with search ellipse distances equal to ½ the semivariogram ranges was completed. A third pass using the full semivariogram range was used for blocks still not estimated. As gold is the principal commodity a fifth pass with larger search ellipses was completed for Cu, Ag and Mo to make sure all blocks with a gold grade had the other three variables estimated. In all cases if more than 16 composites were found the closest 16 to the block centroid were used.

For the Bronson Slope deposit geological continuity has been established though surface mapping and diamond drill hole interpretation. Grade continuity can be quantified by semivariogram analysis. By tying the classification to the semivariogram ranges through the use of various search ellipses the resource is broken into classes based on grade continuity.

- Measured - Blocks estimated during pass 1 using search ellipses set to ¼ of the semivariogram range and located within the central core of well drilled information
- Indicated - Blocks estimated during pass 1 and outside the central core or blocks estimated during pass 2 using search ellipses set to ½ the semivariogram range
- Inferred - All remaining estimated blocks.

The 2008 resource estimate, based on block modelling, variogram analyses, and kriging is given below. The resource estimate was based on metal prices of $2.00/lb Cu, $650/oz Au, $10/oz Ag, and $12/lb Mo. The metal prices were used along with block based metallurgical recoveries to determine individual block values. Metallurgical recoveries are based on extensive metallurgical testing completed in the 1990's and given in **Item 13**. Based on the above metal prices and the metallurgical metal recoveries for the lithologic units a Net Recoverable Value (NRV) was determined. Not considered in this value are mining costs, smelter costs, transportation and other economic factors yet to be determined. The mineral resources presented in **Tables 14-1** below were then determined based on a base case cut off of US $ 9.00 per tonne net recoverable metal value. Resource estimates were done for NRV from US $1 to $20/tonne.

TABLE 14-1
2008 BRONSON SLOPE RESOURCE ESTIMATE
US $ 9.00 / tonne NRV Cut Off

Category	Metric Tonnes	Au g/t	Ag g/t	Cu %	Mo %
Measured	74,800,000	0.45	2.31	0.17	0.0059
Indicated	150,300,000	0.31	2.17	0.13	0.0087
Total Measured & Indicated	225,100,000	0.36	2.22	0.14	0.0077
Inferred	91,600,000	0.27	1.76	0.13	0.0080

Bronson Slope 2010 Magnetite Resource Estimate

The current mineral resource for magnetite mineralization has been estimated for the Bronson Slope deposit meets CIMM resource standards and classifications. This resource estimate is based on the 2009 sampling of drill core detailed in **Item 10** and analyzed for magnetite content. This is detailed in the report entitled "Magnetite Mineral Resource Estimate-Bronson Slope Deposit dated January 28, 2010 by A.A. Burgoyne, P.Eng. M.Sc., Arnd Burgert, P.Geo., B.Sc., and G.H. Giroux P.Eng., MASc. (Burgoyne, Burgert, and Giroux, 2010) at www.sedar.com for March 5, 2010. Blocks were classified during the resource estimation for gold and copper completed in Burgoyne and Giroux (2008). The tonnage was established for each block during this estimation. For the magnetite estimation the block classifications and tonnages were taken from the 2008 block model.

A total of 5,923 m from 22 diamond drill holes totaling was re-sampled for magnetite content. The drill holes were compared to the domain solids used to estimate the Cu-Au-Ag-Mo mineral resource in 2008. Individual magnetite measurements were determined by the Davis Tube method.

Uniform down hole composites were produced at 5 m intervals within each of the four lithologic domains consisting of US (Upper Sediments), PPY (Porphyry), QM (Quartz Monzonite) and HW (Hanging Wall Sediments). Intervals less than 2.5 m at the domain boundaries were combined with the adjoining assay to produce a uniform support of no more than 5 m and no less than 2.5 m.

Due to the limited amount of composite data a single set of semivariograms was run using all composites containing magnetite assays. Pair-wise relative semivariograms were run in the four principal horizontal directions; E-W, N-S, SW-NE and NW-SE. Geometric anisotropy was demonstrated with the longest continuity in the E-W direction. The second longest range was in the vertical direction. Nested spherical models were fit to all the semivariograms.

The bulk density measurements were the same as those use during the 2008 resource estimate given above. A geologic model was completed by Skyline geologists using Surpac software. Five geologic solids were created based on sectional interpretations. A block model of 10 x 10 x 10 m blocks was superimposed over these solids. For each block the percentage below topography and inside the respective solids was recorded.

The resource estimate, based on block modelling, variogram analyses, and kriging is considered reliable and relevant. The current magnetite mineral resource is given below in **Table 14-2**.

TABLE 14-2
2010 BRONSON SLOPE MAGNETITE RESOURCE ESTIMATE
2% Magnetite Cut Off

Category	Metric Tonnes	Magnetite %	Contained Tonnes Magnetite
Measured	66,210,000	7.58	5,020,000
Indicated	96,950,000	7.08	6,860,000
Total Measured & Indicated	163,160,000	7.28	11,880,000
Inferred	6,300,000	6.92	440,000

The resource was estimated for contained magnetite at a series of magnetite cut-offs varying from 1% to 10%. A summary of the measured plus indicated and inferred resource for the 2% cut-off is given below. The 2% magnetite cutoff, used in the below tables, is the base case for resource estimation and is based on by-product milling and truck transportation cost information supplied by Skyline Gold. The 2% magnetite cutoff and used as a base case for resource estimation is based on flotation milling of tails from the Bronson Slope copper-gold-silver operation and truck transportation cost information supplied by Skyline Gold (Jensen 2010a) balanced against what is believed projected conservative sale price of $130 per tonne net of milling and transportation charges. This price is based upon a western Canada magnetite market analysis (Klein 2008) – as discussions with Craigmont Mines that produces magnetite powder for dense media separation coal cleaning. The estimated break-even cut-off grade is less than 2% magnetite on a by-product basis. It must be stressed that the economics are also dependent on the ability to market and sell magnetite. No metallurgical recoveries have been applied to the resource.

Skyline Gold's internal analysis (Jensen, 2010b) estimate that a 7% weight magnetite cut-off based on the 2009 Bronson slope PEA (Lawrence and Seen 2009) and the 2008 magnetite study (Klein 2008) is potentially viable on a stand-alone production basis and assuming that magnetite is the only mineral produced at Bronson Slope. At this cut-off Bronson Slope Measured and Indicated magnetite resource is 100,640,000 tonnes grading 8.8% magnetite for a total Measured and Indicated estimate of 8,900,000 tonnes of contained magnetite. It is reasonably expected that, on a by-product production basis, the magnetite economic cut-off grade would be lower and the magnetite resource estimate at the lower 2% cut-off grade is used.

It should be noted that when this global magnetite resource is compared to the preliminary open pit designed for the Preliminary Economic Assessment completed by Leighton Asia (Lawrence and Seen, 2009) in March 2009 that 44% of the measured and indicated magnetite tonnage, above a 2% cut-off, is within the pit.

15.0 Mineral Reserve Estimates

This Item is not applicable.

16.0 Mining Methods

This Item is not applicable.

17.0 Recovery Methods

This Item is not applicable.

18.0 Project Infrastructure

This Item is not applicable.

19.0 Market Studies and Contracts

This Item is not applicable.

20.0 Environmental Studies and Permits

This Item is not applicable.

21.0 Capital and Operating Costs

This Item is not applicable.

22.0 Economic Analyses

This Item is not applicable.

23.0 Adjacent Properties

There are nearly four hundred mineral occurrences in the Iskut River are of NTS 104B. Only those deposits that are near or adjacent to the Iskut Property are described here.

Snip Gold Mine & Deposit

The adjacent Snip Mine (Minfile 104B 250), located within 500m of the north boundary of the Bronson Slope Deposit was operated by Cominco Limited, and Prime Resources Group and Homestake Canada Inc. From 1991 to 1999, the Snip Mine produced 32,093 kilograms of gold, 12,183 kilograms of silver, and 249,000 kilograms of copper from about 1,308,340 million tonnes of milled ore. The Twin Vein is a 0.5 to 15 meter wide zone of sheared quartz-carbonate-sulphide vein that cuts through a massively bedded feldspathic greywacke-siltstone sequence. The mineralization occupies a 120° structure with dips varying from 30 to 90 degrees southwest. A post-mineralization dyke divides the vein into two parts for most of its length. The dip length of the deposit is about 500 metres and the structure has been traced over a strike length of 1000 metres. Production from the mine was taken over a strike length of approximately 360 meters and the cut-off grade was near 12.0 g/t gold.

Rock And Roll Gold-Silver-Zinc Deposit

The Rock and Roll property, owned by Pacific North West Capital Corp., is located in the Iskut River valley 9 km down river from the Bronson Airstrip adjacent to the Phiz exploration target owned by Skyline Gold. Exploration drilling from 1990 to 1997 and in 2009 has defined a mineral resource in the Indicated category, and a 0.5 g/t gold cutoff, of 2.156 million tonnes grading 0.68 g/t gold, 82.7 g/t silver and 0.94% zinc as reported in a 2010 Technical Report (Jones, Armitage, and Campbell, 2011). The deposit is a VMS (volcanogenic massive sulfide) type deposit where mineralization is found as northwest trending and southwest dipping massive sulfide zones that are parallel to Stuhini Group intermediate volcanic and sedimentary rocks.

The writer is unable to verify the above information and the information is not necessarily indicative of the mineralization on the Iskut Property.

24.0 Other Relevant Data and Information

2010 Preliminary Assessment Report (PA) on Bronson Slope Deposit

In the fall of 2010 Skyline announced the results of an update of the PA technical report on the Bronson Slope Deposit. A previous PA was completed in 2009 (Lawrence and Seen, 2009). The updated PA was prepared by Moose Mountain Technical Services (MMT) (Gray, 2010).

The 2010 report provides an update of the economic analysis of the deposit and includes a mine plan and project cost estimate showing positive economics and a basis for further advancement of the project. The PA provides an economic analysis of the Bronson Slope Deposit based upon an open pit operation with in-pit crushing and an electrically powered conveyor system descending approximately 400 m from the pit to a 15,000 tonne per day copper flotation and gravity gold separation processing plant. A strip ratio of 0.77 is envisioned. Tailings will be carried to the tailings facility by pipeline.

The PA projects a 38 year life-of-mine ('LOM') with production of 1.757 million oz. of gold, 383.6 million pounds of copper, 6.8 million ounces of silver and 9.66 million tonnes of high purity magnetite powder. Economic evaluation of the Project is based on a pre-tax financial model. For the project as defined in this update of a 38 year LOM project with 191 million tonnes of mill feed, the financial results using base case inputs as above are:

- Internal Rate of Return 21.5 %
- NPV (7.5% discount rate) CAD 330.2 million
- Initial Capital CAD 257.6 million
- Pay Back Period 3.8 operating years (from mill start up)
- NPV (0% discount rate) CAD 1.406 billion

The project economic model utilizes base case LOM average metal prices of (USD) $950 /oz. gold, $2.50 /lb. copper, $15 /oz. silver, $90 /tonne (FOB Bronson Slope) for high purity magnetite powder and an exchange rate of 0.90 USD/CAD. No allowance is made for working capital, salvage value or reclamation and closure costs in the financial model.

	CAD $ / tonne Milled
Direct Mining Costs	$ 3.21
Overhead and Administration	$ 0.98
Processing Costs	$ 6.33
Total:	**$ 10.52**

The three phase mine plan includes a total mined resource as follows with a strip ratio of 0.77.

Category	**Tonnes** (000)	**Copper** %	**Gold** g/t	**Silver** g/t	**Magnetite** %	**Copper** Million lbs	**Gold** Million ozs	**Silver** Million ozs	**Magnetite** Million Tonnes
Measured	84,153	0.151	0.420	2.221					
Indicated	102,738	0.098	0.310	2.168	4.8				
Measured & Indicated	186,891	0.122	0.360	2.192	5.3	502.66	2.163	13.202	9.905
Inferred	4,944	0.074	0.321	2.187	3.7				

The total amount of in-pit (Life of Mine) contained gold is 2.163 million ounces and the recoverable amount gold is estimated at 1.757 million ounces.

If metal prices of US $1250/oz gold, $3.50/pound copper, $20/oz silver and $90/tonne magnetite are used an Internal Rate of Return is 35.2% with a Net Present Value of CAD $684.2 million.

Note that the PA is preliminary in nature, that it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary assessment for those tonnes of mill feed will be realized. The amount of Inferred resource is relatively small however, of more significance, the accuracy of the technical design and costing used in this report is at a scoping level and for these reasons all the resources cannot be categorized as mineral reserves, and there is no certainty that the preliminary assessment for those tonnes will be realized.

The singly most important study completed was the Preliminary Economic Assessment (PEA) report on Bronson Slope by Leighton Asia (Lawrence and Seen, 2009) in March 2009. A summary of the results of this study are reported below:

2009 Preliminary Economic Assessment by Leighton Asia - Bronson Slope Deposit

The Preliminary Assessment was completed in March 2009 (Lawrence and Seen 2009) and this report should be referred to for details- it is basically historical in nature as it has been replaced by the 2010 PA. The report is intended to investigate conceptual plans and costing for the development of infrastructure, and the mining and processing of the resource considered to be economical. The report comprises an economic analysis of the deposit and includes a mine plan and project cost estimate showing positive economics and a basis for further advancement of the project. An economic analysis of the Bronson Slope project was based upon an open pit operation with in-pit crushing and an electrically powered conveyor system descending approximately 500 m from the pit to a 15,000 tonne per day (5.1 million tonnes per year) copper flotation and gravity gold separation processing plant. Tailings will be carried to the tailings facility by tailing pipeline. The PA mine plan and economic model for the base case includes a Life of Mine (LOM) mine production schedule of 93.5 million tonnes of mill feed that averages 0.155% copper, 0.446 g/t gold, 2.34 g/t silver and 0.0058% molybdenum, 78.5 million tonnes of waste and an average strip ratio of 0.83 over an 18.4 year mine life. It should be noted that mineral resources that are not mineral reserves do not have demonstrated economic viability. Metal recoveries from mill feed utilized in the PA are based upon prior metallurgical studies of the Bronson Slope deposit and are Gold: 85.4%, Copper: 86.6%, Silver: 63.7%.

The project economic model utilizes base case life-of-mine (LOM) average metal prices of (USD) $ 700/oz. gold, $ 2.00/lb. copper, and $ 15/oz. silver and an exchange rate of 0.85 USD/CAD.

Base case estimated project construction capital costs of CAD $237 million (USD $201.5 million) include a 15% contingency and with CAD $14 million in working capital give a total initial capital (peak investment) requirement of CAD $251 million (USD $213 million). Estimated life-of-mine sustaining capital is CAD $21.3 million excluding reclamation costs and salvage recovery of capital. Including reclamation costs (CAD $10 million) and salvage recovery of capital at closure, the life-of-mine sustaining capital requirement is CAD $15.7 million. The financial model gives an 11% Internal Rate of Return and a Net Present Value (7.5% discount rate) of $59.3 million and NPV at 0 % discount (after tax) of $279.4 million and a pay back period of 18.2 years.

Preliminary Road Construction Studies

A comprehensive report entitled "Bronson Creek Access Road, Bridges and Environmental Considerations, Schedule K SUP Application" was prepared by Forsite Engineering (2008) to construct an access road from the Forest Kerr access road to the Bronson Slope Deposit. This application for the SUP was submitted to government, yet was not pursued. In 2011, Skyline completed a mutual Road Use Agreement with AltaGas for use of the Eskay Creek road and the AltaGas road to their Forest Kerr hydroelectric project.

Historical Mine Development Studies

Skyline previously completed a substantial amount of engineering scoping, environmental, cash flow, metallurgical, capital and operating costs, geotechnical, infrastructure and access, and other pre-feasibility studies on the Bronson Slope deposit from 1995 through 1997. The studies are referred to as feasibility studies in the Skyline correspondence of the day – they are, however, today better considered as historical pre-feasibility and engineering /development studies. Yeager (2006) reports that in the order of $3.5 million in 2006 dollars, similar to that spent on mineral exploration, was spent on development and pre-feasibility studies. **Table 24-1,** modified from Yeager (1998a) lists the studies completed and should be used in conjunction with **Item 27, References.** The writer has not made an extensive review of these historical development studies other than the resource and metallurgical/mill reports which are detailed in **Items 6** and **13**, respectively.

The environmental studies provide useful environmental background and monitoring studies for any future development work. The hydroelectric power and road studies, of course, are useful for future development/production but are now historical in nature and have been updated by Skyline.

The mine studies including Acid Rock Drainage (ARD), mine design, geotechnical assessment and open pit slope design, tailings and water management illustrated that an open pit mining operation at Bronson Slope is feasible and positive from a technical perspective; however, the criteria and parameters developed from these studies are, at this point, historical in nature and are being confirmed by Skyline with updated studies.

It is cautioned that as future development occurs at Bronson Slope, all of the above studies will need to be revisited and, in light of their historical nature, will probably require substantial up dating to current engineering practise and methods and economics. These reports are of limited relevance today and are reported in **Table 24-1** for information purposes only.

TABLE 24-1
HISTORICAL DEVELOPMENT STUDIES ON BRONSON SLOPE DEPOSIT

Author	Date	Subject Report
		ENVIRONMENTAL
Bronson Slope Environmental Assessment Committee	June 18, 1996	Bronson Slope Mine Project Final Report Specifications
Keystone Wildlife Research	Oct. 10, 1996	Wildlife Habitat Evaluation for the Bronson Slope Mine
Norecol, Dames and Moore Inc.	Oct. 31, 1997	Bronson Slope Project Aquatic Environmental Impact Assessment
Woznow, D.P.	March 1997	Bronson Slope Mine Baseline Environmental Monitoring Protocols
		FINANCIAL & OPERATING COSTS
Ganshorn, J.A.	May 1, 1997	Bronson Slope Project Copper (Au+Ag), Molybdenum, Magnetite Marketing Reports
International Skyline Gold Corporation	December 11, 1997	Bronson Slope Project, (Cash Flow) Case Studies
Moore, M.	December 8, 1997	Bronson Slope Project Capital Cost Estimates Based on Amendments of Rescan Draft
		INFRASTRUCTURE & POWER
Brazier-Vera Associates	July 1995	Bronson Slope Project Power Supply Options
Klohn Leonoff Consulting Engineers Ltd.	March 1991	Iskut Road Study, Vol. IV Engineering Studies
Sigma Engineering Ltd.	January 1997	Bronson Slope Project Iskut Hydro Study
		MINE
International Skyline Gold Corporation	May 15, 1997	Summary of ARD Characterization of Bronson Slope Rock Samples
International Skyline Gold Corporation	June 1998	Interpretation of Results of ARD Kinetic Testing of Bronson Slope Rock Samples
International Skyline Gold Corporation	July 1998	Compilation of Draft Submissions of the Bronson Slope Feasibility Study from Rescan Engineering Ltd.
International Skyline Gold Corporation / Azimuth Management Consulting	January 1998	Bronson Slope Mine Project Report (Draft)
Piteau Associates	March 1997	Bronson Slope Project Preliminary Geotechnical Assessments and Slope Design Studies for the Bronson Slope Open Pit
Process Research Associates	April 29, 1997	Acid Base Accounting Test Results Bronson Slope Project
Steffen, Robertson and Kirsten Consulting Eng	August 13, 1997	Bronson Slope High Wall – Revised ARD Modelling
		METALLURGY & MILL FACILITIES
Process Research Associates	Jul 18, 1997	Bronson Slope Project Metallurgy Study on the Bronson Slope Samples
Rescan Engineering Ltd.	March 1995	Preliminary Feasibility Study Mill Facilities
		RESOURCE
International Skyline Gold Corporation	July 11,1996	Mineral Resource Inventory, 250 m Search Radius Model, Corrected Topography
Giroux, G.H.	1996 & 1997	Resource Estimates **- Note Items 17 & 21 in this Report**
Raymond, G.P.	July 15, 1997	Geostatistical Study of Drilling to May, 1997 and Recommended Drill Spacing, Bronson Slope Deposit
		TAILINGS
Agra Earth & Environmental Ltd	April 15, 1997	Tailings & Water Management System on Feasibility Design Bronson Slope Project
Agra Earth & Environmental Ltd	May 1997	Seismic Refraction Investigation, Bronson Slope Project
Dick, R.C.	February 25, 1997	Bronson Slope Project Site Investigations, Discussion of Results
Piteau Engineering Ltd.	January 1997	Conceptual Design (and Costs) of Tailings Facility

25.0 Interpretation & Conclusions

The author has completed a detailed technical review of the exploration surveys and results generated by Skyline Gold. The preparation of this technical report included certain due diligence procedures. It is concluded that the technical fieldwork, and office data compilation, including historical exploration surveys and procedures, QA/QC controls on sampling, diamond core drilling, analyses, and reporting of data, and general exploration protocol completed by Skyline, is of good quality and meets good practice industry standards. The following interpretations and conclusions are made:

1. Historical exploration was completed from the 1980's through 1997 on the Johnny Mountain and Bronson Slope areas of the Property. The historical exploration on Bronson Slope Deposit consisted of extensive drilling and development studies. Exploration from 2006 through 2010 consisted of drilling, resource estimation and Preliminary Economic Assessment studies. On the many other exploration prospects, including the Gorge and Bug Lake gold prospects and others, exploration was mainly focussed during the 1980's and 1990's.

2 Since 2009 Skyline has undertaken drilling programs, trenching, prospecting, geological mapping, soil sampling and airborne geophysical surveys in the search and definition of shear-hosted gold-vein mineralization within the northwest oriented Snip-Bronson Trend and adjacent areas, including Johnny Flats, Burnie Trend and C-1 targets, that are favourable for high-grade Snip-style gold-vein mineralization. The Snip-Bronson Trend extends, from the former high-grade Snip gold mine, for about 5 km in length to the southeast. The Snip mine produced 1.03 million ounces of gold at a 24.5 g/t gold recoverable grade during the period of 1991 to 1999.

3 Commencing in 2009 the company began acquiring adjacent promising mineral prospects and properties. The Iskut Property is very large and now stands at 246.2 square km.

4 Part of the exploration work during 2011 has been the compilation and evaluation of historical drilling, trenching, soil sampling and geological mapping on these acquired prospects and properties. Work was focused on the high-grade gold vein system at the Gorge prospect north of the Iskut River and on the many gold-bearing vein prospects in the Bug Lake area. On the Bug Lake prospects the Company completed trenching and extensive rock sampling on high-grade gold veins revealing some 'bonanza' grade gold intervals. The Bug Lake area hosts seventeen know gold showings, nine of which have been located and re-sampled in the 2011 exploration program.

5 During 2011 the Company also focused exploration along the Snip-Bronson Trend. Trenching, limited drilling, and down-hole geophysics known as BPEM (borehole pulse EM) was completed. In addition all historic in-situ gold soil geochemistry was compiled and a large airborne geophysical program was completed. The 5 km Snip-Bronson Trend is characterized by extremely anomalous gold soil geochemistry, the presence of several prospects hosting gold-bearing vein and stockwork structures, the presence of several airborne electromagnetic conductors and down-hole (BPEM) electromagnetic conductors. The former Snip gold mine and deposit is located at the northwest end of the Snip-Bronson Trend.

6 During the drilling campaigns of 2009 through 2011, within the Snip-Bronson Trend, significant gold mineralization was intersected over a horizontal distance in excess of 500 metres perpendicular to the general strike of the zone, and it is open to the southwest. A number of the structures contain high-grade gold results and visible gold was noted in several localities in the core. There are in the order of 40 intercepts that equal or exceed one metre (length-weighted grade) that grade in excess of 2 g/t gold (or gold equivalent). There are an additional 63 intercepts that are 8 metres or greater (from 8 to 149 m) that exceed a 0.2 g/t gold content and range from 0.2 to 2.0 g/t gold that is indicative that the trend also has the potential for a larger low-grade gold deposit. Significant amounts of silver and zinc mineralization are associated with the gold. Further geological interpretation and modelling are required.

7 Adjacent to the Snip-Bronson Trend, to the southwest, is the northwest trending Johnny Flats exploration target area that is characterized by a series of well-defined northwest trending electromagnetic conductors over a 2.8 km distance defined by the integration of the 2011 Fugro Dighem airborne geophysical survey and an Aeroquest airborne geophysical survey completed in 2006. These conductors are believed to be caused, in part, by sulphides and hosting alteration. At the nearby Snip gold mine gold and silver were carried in sulphides. The Johnny Flats target area is considered a highly promising area and substantial drilling is required to test the numerous conductors and their respective host structures.

8 Adjacent and within a few kilometres of the former Johnny Mountain gold mine there are several high priority exploration targets defined by one or more of anomalous gold soil geochemistry, gold-bearing veins, gold-bearing float, and by airborne electromagnetic conductive zones. These targets include the promising +5 km northwest trending Burnie Trend, C-1, the McFadden gold-bearing float zone and others. The Burnie Trend and C-1 targets are also characterized by well defined EM conductors that require drilling to test for gold vein mineralization.

9 During 2012 the Company should continue its compilation of historical exploration results including the promising new acquired precious metal exploration targets of Inel, Khyber Pass, and Pyramid Hill on the south parts of the property, the Phiz on the northwest side of the Property , and the GIM target on the northeast side of the Property.

10 Future work on Iskut Property should continue to focus on the different targets including the electromagnetic conductors on Johnny Flats, the Burnie Trend, C-1 and Snip-Bronson Trend. Compilation and field exploration surveys, including drilling, should continue on the Gorge and Bug Lake area targets.

11. It is the opinion of the author that the very positive drill hole results obtained in the Snip-Bronson Trend and the well-defined airborne electromagnetic conductors modelled from the airborne geophysical surveys completed in 2006 and 2011 on the Johnny Flats, Burnie Trend area and C-1 targets require substantial exploration follow up including extensive core drilling. There are several exploration targets on the Iskut Property that are drill ready. These targets should be explored with core drilling and the initial drill programs should focus on the electromagnetic conductors and follow up with BPEM surveys. The Iskut Property should be advanced through a two phase exploration program as detailed and recommended in **Item 26**.

26.0 Recommendations

It is the opinion of the author that the very positive drill hole results obtained in the Snip-Bronson Trend and the EM conductors defined from 2006 and 2011 airborne surveys on the Johnny Flats and Burnie Trend areas and the C-1 target require substantial exploration follow up including extensive core drilling. There are several exploration targets on the Iskut Property defined by well-developed EM conductors that are considered drill ready. These conductors should be explored with core drilling and be followed-up with BPEM surveys. The Iskut Property should be advanced through a two phase exploration program as detailed and recommended below.

The Phase I program should consist of extensive core drilling programs (3260 metres over 15 holes) on Johnny Flats, Burnie Far North, Burnie North, Burnie South, C-1 and Gorge targets. In addition borehole pulse electromagnetic (BPEM) should be completed on all drilled holes as well as certain historic holes. A LiDar Survey to aid the interpretation of geology and structure and, as well, the obtaining of high resolution air photos. The following surveys are recommended:

Phase I

1. On Johnny Flats and Snip-Bronson Trend follow up drilling of the best conductors followed by BPEM surveys.
2. On Johnny Flats complete BPEM surveys of the four deep Cominco holes, CS94-20, -21, -23, and -24 assuming the holes are accessible.
3. At the Burnie Northwest, Burnie North and Burnie South drill testing the best defined electromagnetic conductors.
4. At the C-1 target drill testing of an electromagnetic conductor.
5. At the Gorge target, complete a single drill hole on the down-plunge direction of defined historic gold mineralization with an attendant BPEM survey on this drill hole. To aid in future geological interpretations it will be key to collect accurate collar survey data for all historic drill holes in the Gorge area.
6. The completion of further BPEM surveys at Gorge on historic drill holes assuming the collars can be located and the holes re-entered.
7. The LiDar radar imagery should be completed over Snip-Bronson Trend, Johnny Flats, Burnie North and South, Gorge and Bug Lake area. Also, high resolution air photos should be acquired at the same time.
8. The evaluation of all 2012 BPEM survey results to help define drill targets for the Phase II exploration program.
9. The continued digital compilation of historical exploration results initiated in 2011.

The location of the recommended Phase I diamond drill holes totalling 3050 metres over 14 holes is given in **Table 26-1** for the different exploration targets. The Phase II program below is subject to Phase I positive results.

Phase II

10. Diamond drilling follow up of 4000 metres over 20 holes.
11. On Johnny Flats continued drilling and follow up BPEM surveys.

12. At Burnie North and South targets, drilling along with prospecting, trenching, grid lines placement, and possible biogeochemical and/or soil surveys should be allocated.
13. At the C-1 target a program of line placement, biogeochemical and/or soil geochemistry, prospecting and trenching should be planned.
14. At the Snip-Bronson Trend provision should be made for line placement, prospecting and trenching.
15. At the Gorge target, line placement should followed by ground electromagnetic surveys. The line placement should be guided by the BPEM results. Diamond drilling should be planned.

TABLE 26-1
ISKUT PROPERTY PROPOSED PHASE I DRILL HOLES
(UTM Zone 9, NAD 83)

Hole-ID	**East** UTM (m)	**North** UTM (m)	**Elevation** (m)	**Depth** (m)	**Azimuth** degrees	**Dip** degrees
Gorge	368897	6287396	148	185	25	-60
Johnny Flats						
P1_A01	373063	6279484	1065	330	30	-50
P1_A02	372691	6279854	1061	215	30	-50
P1_A03	372872	6279550	1060	230	30	-50
P1_A05	372727	6279377	1064	230	30	-50
P1_A09	371759	6280721	955	175	30	-60
Burnie Far North						
PB_003	369579	6279701	299	210	210	-50
PB_002	369373	6279300	268	300	210	-50
Burnie North						
PB_004	370032	6278064	390	140	30	-55
PB_005	370033	6277846	341	210	30	-50
PB_006	370328	6277764	432	175	30	-45
Burnie South						
PB_011	371825	6275752	1014	225	210	-55
PB_012	371901	6275680	1013	250	210	-60
C1						
PB_008	371739	6276791	949	175	30	-50
			Total	**3050**	**metres**	

The cost to complete the above exploration steps is estimated at $3,639,100 for the Phase I program followed by a Phase II provisional budget of $4,546,000, subject to positive Phase I results, is presented in **Table 26-2**

TABLE 26-2

ISKUT PROPERTY RECOMMENDED EXPLORATION PROGRAM & BUDGET

PHASE I PROGRAM	**$Cost / Unit**	**# Units**	**$ Estimate**
May through August 2012			
Camp Installation	175,000	1	$ 175,000
Camp Costs, Supplies, Accommodations	300,000	1	$ 300,000
Helicopter	1,300	270	$ 351,000
Fixed Wing Support	3,750	25	$ 93,750
Fuel - Jet, Avigas, Diesel, Gasoline	75,000	1	$ 75,000
Drilling - Contractor, Mob/demob,	300	3050	$ 915,000
Geological & Tech Support			
Drill Pad Construction, Materials, Freight	9,000	14	$ 126,000
Core Assays	45	2500	$ 112,500
BPEM Geophysics	6,000	20	$ 120,000
LiDar AirPhoto Flights	75,000	1	$ 75,000
LiDar Processing	125,000	1	$ 125,000
Reclamation at Johnny Mtn Mine Site	175,000	1	$ 175,000
Environmental Monitoring & Consultants	125,000	1	$ 125,000
Dyke Maintenance at Bronson Creek	50,000	1	$ 50,000
Office Overhead to support Exploration	170,000	1	$ 170,000
First Nations labour negotiations	20,000	1	$ 20,000
Salaries - Field & Technical, 10 Personnel	300,000	1	$ 300,000
Contingency 10%	330,825	1	$ 330,825
			$ 3,639,075

PHASE II PROVISIONAL PROGRAM			
August through October 2012			
Camp Upgrade	75,000	1	$ 75,000
Core Logging Facilities Upgrade	35,000	1	$ 35,000
Camp Costs, Supplies, Accommodations	275,000	1	$ 275,000
Helicopter	1,300	475	$ 617,500
Fixed Wing Support	3,750	20	$ 75,000
Fuel - Jet, Avigas, Diesel, Gasoline	80,000	1	$ 80,000
Drilling - Contractor, Mob/demob, Assays	325	4000	$ 1,300,000
Geological & Tech Support, Drill Pads			$ -
Drill Pad Construction, Materials, Freight	10,000	20	$ 200,000
Core Assays	45	4000	$ 180,000
BPEM Geophysics	6,250	28	$ 175,000
Line Cutting	62,500	1	$ 62,500
BioGeochem/Soil Sampling	125,000	1	$ 125,000
Prospecting	125,000	1	$ 125,000
Trenching	100,000	1	$ 100,000
Geological Mapping	75,000	1	$ 75,000
Surface Assays	45	3400	$ 153,000
Salaries - Field & Technical	300,000	1	$ 300,000
Contigency 15%	592,950	1	$ 592,950
			$ 4,545,950

27.0 References

The following references have been used in preparing the Technical Report. Skyline completed a substantial amount of engineering scoping, environmental, cash flow, metallurgical, capital and operating costs, geotechnical, infrastructure and access, and other pre-feasibility studies on the Bronson Slope deposit from 1995 - 1997 and these are listed in **Table 18-1** in **Item 18.**

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28.0 Signature Page

The report titled "Technical Report on The Iskut Property with Special Reference to Johnny Flats & Burnie Trend Targets" for Skyline Gold Corporation on the Iskut Property" dated May 7, 2012 was prepared and signed by the following author.

Effective Date of Report: May 7, 2012

Dated at North Saanich, British Columbia
May 7, 2012

"A.A. Burgoyne" {Signed and Sealed}

A. A. Burgoyne, P.Eng., M.Sc.,

Burgoyne Geological Inc.

29.0 Certificate - Statement Of Qualified Persons

BURGOYNE GEOLOGICAL INC.
Consulting Geologists & Engineers

548 Lands End Road
North Saanich, BC, Canada
V8L 5K9
TEL / FAX (250) 656 3950

A.A. (Al) Burgoyne, M.Sc., P.Eng.

I Alfred A. Burgoyne hereby certifies:

1. I am an independent consulting Geologist employed by Burgoyne Geological Inc. with residence and office at 548 Lands End Road, North Saanich, BC, CANADA, V8L 5K9.
2. I graduated from the University of British Columbia in 1962 with a Bachelor of Science Degree in Geology and from the University of New Mexico in 1967 with a Master of Science Degree in Geology.
3. I am a registered Professional Engineer in the Association of Professional Engineers and Geoscientists for the Province of British Columbia and am registered as a Fellow of the Geological Association of Canada.
4. I have practiced my profession for 50 years and have been involved in mineral exploration and development in Canada, USA, Latin America, Southeast and Central Asia, and Eastern Europe.
5. During this period of professional practice I have been extensively involved in the exploration, discovery, definition, and development phases of no less than three gold deposits and five major porphyry copper-gold deposits in British Columbia.
6. Prior to establishing Burgoyne Geological Inc. in 1991 I held several successive positions from 1980 to 1991 as Vice President-Exploration for Breakwater Resources Ltd., Western Canadian Mining Corporation, Cassiar Mining Corporation and Bethlehem Copper Corporation. From 1970 to 1979, I was Exploration Manager of Western Canada for UMEX Corp.
7. During my tenure with the above companies I have been intimately involved in the drilling definition and evaluation of all styles of gold vein and porphyry style mineralization. having been responsible for exploring and discovering and/or extending five major deposits of which two attained production.
8. I have read the definition of “qualified person” set out in National Instrument 43-101 and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101.
9. The report dated May 7, 2012 and title “Technical Report on The Iskut Property With Special Reference to Johnny Flats & Burnie Trend Targets” for Skyline Gold Corporation On The Iskut Property” is based on about six weeks of technical evaluation in April and May 2012. The writer has written and is responsible for all Items in this report
10. Site examinations and evaluations, on the Bronson Property, were made on October 1 to 3, 2009; October 13 and 14, 2007; September 11 and October 14 to 16, 2006; and July 1993 and several visits in the 1980’s. The writer has evaluated the property with respect to drill hole locations, geology, mineralization, and general infrastructure was reviewed. The sources of all information not based on personal examination are quoted in the report. The information provided by the various parties is to the best of my knowledge and experience correct.

11. That as of the date of this certificate, to the best of the qualified person's knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
12. Numerous maps and sections, especially in respect to mineral resource were supplied by Skyline Gold Corporation and reviewed.
13. I am independent of the issuer applying all the tests in section 1.4 of National Instrument 43-101
14. I have read National Instrument 43-101 and Form 43-101FI and the Technical Report has been prepared in compliance with that instrument and form.

Dated at North Saanich, British Columbia this 7 day of May 2012.

"A.A. Burgoyne" {signed and sealed}

A.A. Burgoyne, P.Eng.

Independent Qualified Person

APPENDIX A

BRONSON SLOPE DIAMOND DRILL HOLE DATA*

THOSE USED IN MAGNETITE RESOURCE ESTIMATE HIGHLIGHTED IN BLUE

Hole-ID	Total Depth	Easting**	Northing**	Elevation	Azimuth**	Dip
	(m)	(m)	(m)	(m amsl)	(°)	(°)
944	206	25570	11910	514	342	-50
945	48	25570	11910	514	342	-75
946	122	25569	11949	507	296	-45
947	79	25638	12175	315	270	-90
948	67	25638	12175	315	86	-70
949	123	25638	12175	315	266	-60
954	100	25064	12299	222	122	-46
955	91	25064	12299	222	112	-60
956	88	25015	12056	425	74	-60
957	119	25626	12045	403	287	-45
958	127	25064	12299	222	247	-45
959	109	26012	12237	261	107	-68
960	186	26160	12030	373	270	-90
961	133	25569	11949	507	296	-65
962	117	25569	11949	507	274	-46
963	116	24956	12316	196	270	-90
964	109	24956	12316	196	89	-44
1198	70	25700	11965	422	180	-55
1199	169	25700	11965	422	360	-69
1200	167	25700	12160	317	180	-45
1201	130	25700	12160	317	360	-59
1202	109	26100	12112	322	180	-45
1203	120	26100	12112	322	360	-55
1204	106	26100	12206	282	360	-55
1208	183	25430	11883	587	343	-84
1209	169	25418	11981	585	360	-82
1210	124	25208	11976	552	2	-74
1211	166	25209	11908	601	351	-82
1212	135	25049	11917	546	360	-75
1213	85	26500	11820	466	360	-79
1214	90	26350	11840	465	360	-75
1215	342	25312	11923	597	348	-54
1216	257	25209	11906	602	349	-60
1217	423	25367	11869	604	4	-59
1218	408	25367	11982	598	359	-56
1219	453	25500	11838	573	0	-63
1220	369	25601	11843	513	0	-55
1221	312	25117	11979	507	0	-54
1222	199	25367	11982	598	180	-54
1223	264	25015	12056	425	0	-60
1224	27	25064	12299	222	122	-46

Hole-ID	Total Depth	Easting**	Northing**	Elevation	Azimuth**	Dip
	(m)	(m)	(m)	(m amsl)	(°)	(°)
1225	300	25260	12014	567	0	-57
1226	275	25500	11940	543	0	-55
1227	243	25700	11810	507	358	-60
1228	200	25900	11870	432	0	-55
1229	450	25300	11753	714	356	-59
1230	40	25700	11810	507	0	-90
1231	46	26049	11875	438	0	-82
1232	220	25550	11862	532	0	-83
1233	220	25793	11839	465	0	-60
1234	328	25300	11753	714	301	-54
1235	402	25884	11583	642	5	-59
1236	237	25884	11583	642	275	-47
1237	447	25300	11753	714	275	-45
1238	61	26042	11595	625	5	-50
1239	36	26042	11595	625	5	-60
1240	28	26050	11889	437	2	-82
1241	150	26050	11889	437	25	-89
1242	200	25994	11878	430	35	-49
1243	170	25993	11879	432	2	-54
1244	249	26133	11860	457	1	-59
1245	493	25487	11636	764	346	-61
1246	546	25491	11636	765	37	-61
S-06	108	24964	11663	775	0	-45
S-101	315	24944	11501	812	0	-45
S-125	404	24919	11555	799	0	-47
S-126	425	24919	11554	799	0	-75
S-127	462	25194	11570	805	0	-67
S-129	383	25502	11550	804	358	-60
S-130	233	25502	11551	804	357	-44
BS0601	31	25349	11926	594	4	-60
BS0602	139	25391	11974	599	1	-70
BS0603	270	25356	11930	590	2	-59
BS0604	122	25503	11939	546	1	-55
BS0701	466	25257	11945	586	186	-54
BS0702	393	25309	11988	591	174,7	-47
BS0703	296	25697	11913	458	171	-63
BS0704	361	25599	11904	498	237	-58
BS0705	430	25550	11931	524	169	-59
BS0706	275	26050	11963	400	243	-65
BS0708	361	25353	11616	784	73	-70
BS0709	391	25399	11581	793	76	-64
BS0710	366	25355	11929	591	181	-50
BS0711	300	25054	11610	795	62	-76
BS0712	299	25747	11782	518	56	-69

*(UTM Zone 9, NAD 83) ** Northing, Easting, and Azimuth based on Grid North which is 025° 12’ 22”

APPENDIX A - continued

BRONSON SLOPE DRILL COMPOSITE MINERALIZED INTERCEPTS

	From - To	Width (metres)	Au (ppm)	Ag (ppm)	Cu (ppm)	Mo (ppm)
DDH 1073 (65*-1)	**0.0 m - 60.4 m**	60.4			2932	
1965 Drilling Start						
DDH 1074 (65-2)	**0.0 m - 25.6 m**	25.6			2979	
	44.5 m - 53.0 m	8.5			2214	
DDH 1076 (65-3)	**0.0 m - 43.0 m**	42.9			2532	
DDH 1077 (65-4)	**0.5 m - 17.4 m**	16.9			2769	
	17.4 m - 25.0 m	7.6			596	
DDH 1078 (65-5)	**0.0 m - 9.1 m**	9.1			2180	
	9.1 m - 18.3 m	9.2			600	
	18.3 m - 33.5 m	15.3			1704	
	33.5 m - 46.9 m	13.4			580	
DDH 1079 (65-7)	**0.0 m - 21.6 m**	21.6			1290	
	21.6 m - 32.9 m	11.3			696	
DDH 1080 (65-8)	**0.0 m - 49.1m**	49.1			283	293
1965 Drilling End						
DDH 944 (RB-1) (1994)*	**6.4 m - 36.4 m**	30.0	0.47	3.5	1810	58
1988 Drilling Start	**36.4 m - 51.4 m**	15.0	0.30	1.3	1193	49
	51.4 m - 91.4 m	40.0	0.23	1.4	902	19
	91.4 m - 116.4 m	25.0	0.14	0.6	518	8
	116.4 m - 136.4 m	20.0	0.27	1.4	887	11
	136.4 m - 170.9 m	34.5	1.02	6.9	5182	21
	170.9 m - 185.9 m	15.0	0.17	1.3	629	3
	185.9 m - 206.3 m	20.4	0.40	2.0	1481	7
DDH 945 (RB-2) (1995)	**4.3 m - 48.0 m**	43.7	0.44	3.8	2044	56
DDH 946 (RB-3) (1995)	**1.5 m - 33.2 m**	31.7	0.25	0.9	912	13
	33.2 m - 42.3 m	9.1	1.19	4.9	5256	28
	42.3 m - 79.0 m	36.7	0.36	1.5	1298	5
	79.0 m - 94.2 m	15.2	0.17	0.8	446	5
	94.2 m - 121.6 m	27.4	0.55	2.3	2348	16
DDH 947 (RB-4) (1995)	**3.4 m - 30.2 m**	26.8	0.27	1.5	734	53
	30.2 m - 44.9 m	14.7	0.25	1.8	1290	58
	44.9 m - 78.9 m	34.0	0.16	2.3	885	43
	3.4 m - 78.9 m	75.5	0.22	1.9	910	49

	From To	Width (metres)	Au (ppm)	Ag (ppm)	Cu (ppm)	Mo (ppm)
DDH 948 (RB-5) (1995)	**3.1 m - 39.1 m**	**36.0**	0.34	6.3	1720	57
	39.1 m - 57.1 m	18.0	0.10	1.3	637	47
	57.1 m - 66.8 m	9.7	0.24	2.0	1368	128
DDH 949 (RB-6) (1995)	**1.5 m - 39.6 m**	36.6	0.29	3.2	846	71
	39.6 m - 74.7 m	35.1	0.15	2.4	412	22
	74.7 m - 117.3 m	42.6	0.16	2.5	780	33
	117.3 m - 123.4 m	6.1	0.06	0.9	537	13
DDH 954 (RB-7) (1996)	**2.1 m - 100.0 m**	97.9	0.14	1.6	212	6
DDH 955 (RB-8) (1995)	**2.7 m - 25.5 m**	22.8	0.10	0.7	237	3
	25.5 m - 47.0 m	21.5	0.45	2.8	430	5
	47.0 m - 74.5 m	27.5	0.08	0.7	72	3
	74.5 m - 80.1 m	5.6	0.41	6.2	2827	8
	80.1 m - 91.1 m	11.0	0.08	0.2	67	5
DDH 956 (RB-9) (1995)	**3.1 m - 20.0 m**	16.9	0.23	0.4	660	7
	20.0 m - 26.0 m	6.0	0.46	1.7	1973	13
	26.0 m - 51.0 m	25.0	0.14	0.3	426	13
	51.0 m - 88.1 m	37.1	0.17	0.4	152	14
DDH 957 (RB-10) (1988)	**4.6 m - 20.5 m**	15.9	0.78	3.9	2673	25
	20.5 m - 57.5 m	37.0	0.23	0.9	563	22
	57.5 m - 89.5 m	32.0	0.24	1.2	1020	30
	89.5 m - 118.6 m	29.1	0.22	0.8	463	31
DDH 958 (RB-11) (1995)	**3.7 m - 127.1 m**	123.4	0.05	0.3	74	6
DDH 959 (RB-12) (1995)	**2.1 m - 18.0 m**	15.9	0.27	3.0	1171	87
	18.0 m - 48.0 m	30.0	0.23	2.8	622	179
	48.0 m - 73.0 m	25.0	0.22	0.9	553	310
	73.0 m - 108.8 m	35.8	0.09	0.5	247	297
DDH 960 (RB-13) (1995)	**18.3 m - 48.5 m**	30.2	0.33	1.4	989	101
	48.5 m - 100.3 m	51.8	0.42	2.4	1139	268
	100.3 m - 185.6 m	85.3	0.09	1.2	960	242
DDH 961 (RB-14) (1995)	**3.1 m - 40.5 m**	37.4	0.21	0.9	971	24
	40.5 m - 76.5 m	36.0	0.14	0.7	578	18
	76.5 m - 90.0 m	13.5	0.45	1.0	967	13
	90.0 m - 103.5 m	13.5	0.17	0.6	802	15
	103.5 m - 114.0 m	10.5	0.32	1.3	1641	13
	114.0 m - 133.2 m	19.2	0.09	0.5	460	14

	From - To	Width (metres)	Au (ppm)	Ag (ppm)	Cu (ppm)	Mo (ppm)
DDH 962 (RB-15) (1995)	**3.1 m - 61.7 m**	58.6	0.25	0.9	921	20
	61.7 m - 95.5 m	33.8	0.41	4.2	2046	15
	95.5 m - 117.3 m	21.8	0.14	1.2	881	7
DDH 963 (RB-16) (1995)	**3.1 m - 41.5 m**	38.4	0.60	3.5	710	7
	41.5 m - 49.5 m	8.0	0.06	0.5	118	5
	49.5 m - 62.0 m	12.5	0.36	2.0	571	6
	62.0 m -115.5 m	53.5	0.10	1.1	186	7
DDH 964 (RB-17) (1995)	**6.1 m - 39.5 m**	33.4	0.34	2.5	658	10
1988 Drilling End	**39.5 m - 68.5 m**	29.0	0.08	0.5	174	5
	68.5 m - 79.7 m	11.2	0.44	4.6	551	7
	79.7 m - 97.5 m	17.8	0.14	1.7	231	7
	97.5 m - 103.0 m	5.5	0.75	18.6	1927	7
	103.0 m - 109.4 m	6.4	0.19	1.1	186	17
DDH 1198 (1993)	**3.0 m - 69.5 m**	66.5	0.347	1.7	1771	85
1993 Drilling Start						
DDH 1199 (1993)	**3.0 m - 157.8 m**	154.8	0.265	1.1	1212	46
	157.8 m - 169.2 m	11.4	0.055	0.5	368	16
DDH 1200 (1993)	**1.5 m - 46.0 m**	44.5	0.206	1.0	1035	46
	46.0 m - 146.5 m	100.5	0.124	1.3	618	20
	146.5 m - 155.2 m	8.7	0.147	2.2	1090	7
	155.2 m - 166.7 m	11.5	0.061	0.5	539	7
DDH 1201 (1993)	**12.5 m - 87.5 m**	75.0	0.184	2.6	1550	62
	87.5 m - 130.1 m	42.6	0.069	0.8	579	46
DDH 1202 (1993)	**6.1 m - 18.5 m**	12.4	0.107	0.4	875	119
	18.5 m - 51.0 m	32.5	0.139	0.7	1151	160
	51.0 m - 86.7 m	35.7	0.103	0.0	746	227
	86.7 m - 108.8 m	22.1	0.122	1.0	1328	303
DDH 1203 (1993)	**15.7 m - 96.7 m**	81.0	0.190	0.7	1328	108
	96.7 m - 120.1 m	23.4	0.060	1.2	771	360
DDH 1204 (1993)	**8.8 m - 45.9 m**	37.1	0.222	3.7	1189	225
1993 Drilling End	**45.9 m - 105.8 m**	59.9	0.099	1.4	573	190
DDH 1208 (1994)	**13.4 m - 23.5 m**	10.1	0.14	0.6	718	16
1994 Drilling Start	**23.5 m - 139.6 m**	116.1	0.74	2.8	2530	68
	139.6 m - 182.6 m	43.0	0.41	3.3	1041	15
DDH 1209 (1994)	**1.5 m - 16.0 m**	14.5	0.30	2.3	1006	47
	16.0 m - 78.2 m	62.2	0.92	4.4	3245	98

DDH 1209 (1994) cont.	From To	Width (metres)	Au (ppm)	Ag (ppm)	Cu (ppm)	Mo (ppm)
	78.2 m - 90.2 m	12.0	0.24	0.8	979	6
	90.2 m - 107.0 m	16.8	0.61	3.3	2375	21
	107.0 m - 169.2 m	62.2	0.34	1.1	1179	25
DDH 1210 (1994)	4.2 m - 8.6 m	4.4	0.34	0.5	732	9
	8.6 m - 40.9 m	32.3	0.86	2.2	3468	39
	40.9 m - 116.3 m	75.4	0.43	1.0	1090	29
	116.3 m - 124.1 m	7.8	0.47	1.8	2247	14
DDH 1211 (1997)	5.2 m - 51.8 m	46.6	0.18	1.1	1469	116
	51.8 m - 137.0 m	85.2	0.39	1.4	2188	154
	137.0 m - 165.5 m	28.5	0.27	0.6	955	65
DDH 1212 (1994)	13.1 m - 102.6 m	89.5	0.11	0.4	655	95
	102.6 m - 135.3 m	32.7	0.25	1.0	1208	75
DDH 1213 (1994)	7.6 m - 84.7 m	77.1	0.19	14.3	492	9
DDH 1214 (1994)	4.6 m - 14.1 m	9.5	0.10	1.9	69	2
	14.1 m - 24.4 m	10.3	1.04	17.3	830	2
	24.4 m - 55.4 m	31.0	0.19	9.0	147	6
	55.4 m - 89.9 m	34.5	0.06	0.5	42	8
DDH 1215 (1997)	11.4 m - 57.6 m	46.2	0.61	5.6	2755	81
	57.6 m - 91.6 m	34.0	0.40	1.8	1094	11
	91.6 m - 150.9 m	59.3	0.90	4.9	3155	82
	150.9 m - 202.3 m	51.4	0.44	2.4	1446	27
	202.3 m - 226.7 m	24.4	0.74	4.4	3095	15
	226.7 m - 271.3 m	44.6	0.46	3.4	1782	12
	271.3 m - 342.4 m	71.1	0.18	2.3	622	28
DDH 1216 (1997)	9.1 m - 27.4 m	18.3	0.147	1.0	1666	98
1994 Drilling End	27.4 m - 51.2 m	23.8	0.104	0.4	561	87
	51.2 m - 122.0 m	70.8	0.275	0.9	1443	91
	9.1 m - 122.0 m	112.9	0.218	0.8	1293	91
	122.0 m - 145.0 m	23.0	0.978	3.7	4837	91
	145.0 m - 221.0 m	76.0	0.510	2.0	1882	28
	221.0 m - 256.7 m	35.7	0.158	0.6	425	25
DDH 1217 (1995)	12.2 m - 61.6 m	49.4	0.09	1.6	471	54
1995 Drilling Start	61.6 m - 145.4 m	83.8	0.60	2.6	2645	36
	145.4 m - 190.6 m	45.2	0.36	1.4	1098	10
	190.6 m - 217.9 m	27.3	1.12	7.2	3962	50
	217.9 m - 368.3 m	150.4	0.22	1.1	771	21
	368.3 m - 375.4 m	7.1	1.92	7.4	8832	90
	375.4 m - 399.0 m	23.6	0.23	0.6	578	16
	399.0 m - 423.4 m	24.4	0.41	1.5	2425	16

	From - To	Width (metres)	Au (ppm)	Ag (ppm)	Cu (ppm)	Mo (ppm)
DDH 1218 (1995)	**3.0 m - 131.8 m**	128.8	0.74	4.0	2684	40
	131.8 m - 173.8 m	42.0	0.27	1.7	1155	11
	173.8 m - 199.0 m	25.2	0.85	4.9	3727	10
	199.0 m - 366.0 m	167.0	0.28	3.0	1742	20
	366.0 m - 408.1 m	42.1	0.09	0.4	564	10
DDH 1219 (1995)	**24.1 m - 51.1 m**	27.0	0.15	2.4	982	87
	51.1 m - 175.6 m	124.5	0.44	2.8	2306	90
	175.6 m - 303.6 m	128.0	0.24	2.3	1071	18
	303.6 m - 360.5 m	56.9	0.14	1.0	438	17
	360.5 m - 428.7 m	68.2	0.30	2.8	952	17
	428.7 m - 452.9 m	24.2	0.22	1.0	707	36
DDH 1220 (1995)	**25.6 m - 119.7 m**	94.1	0.55	2.1	2730	123
	119.7 m - 306.4 m	186.7	0.28	1.1	896	42
	306.4 m - 369.1 m	62.7	0.04	0.4	252	9
DDH 1221 (1995)	**9.1 m - 43.6 m**	34.5	0.14	0.6	588	6
	43.6 m - 91.6 m	48.0	0.41	1.6	1706	5
	91.6 m - 312.1 m	220.5	0.27	1.1	318	10
DDH 1222 (1995)	**4.5 m - 65.0 m**	60.5	0.53	1.7	1513	24
	65.0 m - 113.1 m	48.1	0.80	2.0	2831	24
	113.1 m - 199.0 m	85.9	0.38	3.4	1256	20
DDH 1223 (1995)	**7.9 m - 33.8 m**	25.9	0.59	3.7	1559	49
1995 Drilling End	**33.8 m - 196.2 m**	162.4	0.35	1.8	403	17
	196.2 m - 264.0 m	67.8	0.05	0.6	91	13
DDH 1224 (1996)	**0.6 m - 27.0 m**	26.4	0.16	0.7	301	4
1996 Drilling Start						
DDH 1225 (1996)	**3.7 m - 94.4 m**	90.7	0.58	3.7	2559	29
	94.4 m - 299.9 m	205.5	0.18	1.5	440	27
DDH 1226 (1996)	**2.3 m - 63.0 m**	60.7	0.28	2.2	1014	15
	63.0 m - 204.0 m	141.0	0.43	3.9	2090	23
	204.0 m - 275.4 m	71.4	0.26	2.3	944	41
DDH 1227 (1996)	**30.5 m - 66.0 m**	35.5	0.44	6.7	1286	206
	66.0 m - 165.0 m	99.0	0.50	2.0	3062	180
	165.0 m - 209.0 m	44.0	0.42	1.9	1774	80
	209.0 m - 243.2 m	34.2	0.29	1.5	1083	73
DDH 1228 (1996)	**12.2 m - 63.0 m**	47.8	0.26	3.6	376	69
	63.0 m - 101.0 m	38.0	0.29	4.0	1710	251
	101.0 m - 139.0 m	38.0	0.23	4.3	1055	119

	From To	Width (metres)	Au (ppm)	Ag (ppm)	Cu (ppm)	Mo (ppm)
DDH 1228 (1996) cont.	**139.0 m - 200.0 m**	61.0	0.13	0.9	720	156
DDH 1229 (1996)	**5.3 m - 47.0 m**	41.7	0.25	2.1	499	17
	47.0 m - 209.0 m	162.0	0.08	0.6	417	27
	209.0 m - 230.0 m	21.0	0.25	2.1	1481	130
	230.0 m - 248.0 m	18.0	0.89	4.5	3605	113
	248.0 m - 281.0 m	33.0	0.51	1.4	1155	9
	281.0 m - 350.0 m	69.0	0.96	3.2	3418	33
	350.0 m - 374.0 m	24.0	0.47	0.8	919	22
	374.0 m - 423.0 m	49.0	0.21	0.3	542	21
	423.0 m - 450.2 m	27.2	0.55	7.2	2424	66
DDH 1230 (1996)	**7.3 m - 18.9 m**	11.6	0.43	4.6	4697	30
	18.9 m - 34.0 m	15.1	0.07	0.5	676	77
	34.0 m - 40.2 m	6.2	0.12	0.3	633	288
DDH 1231 (1997)	**14.0 m – 46.0 m**	32.0	0.63	2.6	490	148
DDH 1232 (1997)	**15.2 m - 75.0 m**	59.8	0.46	2.9	2437	109
	75.0 m - 183.0 m	108.0	0.595	2.5	2943	101
	183.0 m - 219.6 m	36.6	0.339	2.8	2137	254
DDH 1233 (1996)	**20.0 m - 35.0 m**	15.0	0.50	12.2	716	146
	35.0 m - 56.0 m	21.0	0.41	5.8	2166	200
	56.0 m - 84.0 m	28.0	0.35	4.4	1485	119
	84.0 m - 130.0 m	46.0	0.14	0.5	474	88
	130.0 m - 199.5 m	69.5	0.24	2.0	1066	230
	199.5 m - 219.5 m	20.0	0.06	0.3	106	21
DDH 1234 (1996)	**3.0 m - 27.0 m**	24.0	0.48	0.4	149	8
	27.0 m - 228.0 m	201.0	0.09	0.5	431	28
	228.0 m - 240.0 m	12.0	0.11	1.7	1255	63
	240.0 m - 288.0m	48.0	0.08	0.4	449	160
	288.0 m - 327.7 m	39.7	0.41	2.6	1716	127
DDH 1235 (1996)	**9.1 m - 24.0 m**	14.9	0.13	3.2	168	10
	24.0 m - 123.0 m	99.0	0.36	3.3	317	4
	123.0 m - 186.0 m	63.0	0.12	3.8	165	9
	186.0 m - 207.0 m	21.0	0.27	8.8	784	47
	207.0 m - 402.0 m	195.0	0.11	1.8	417	56
DDH 1236 (1996)	**3.0 m - 69.0 m**	66.0	0.13	1.6	230	4
	69.0 m - 114.0 m	45.0	0.25	2.1	243	3
	114.0 m - 174.0 m	60.0	0.74	0.7	219	4
	174.0 m - 236.8 m	62.8	0.19	1.0	76	6

	From - To	Width (metres)	Au (ppm)	Ag (ppm)	Cu (ppm)	Mo (ppm)
DDH 1237 (1996)	**4.6 m - 83.0 m**	78.4	0.24	0.6	313	7
	83.0 m - 140.0 m	57.0	0.06	0.5	234	35
	140.0 m - 188.0 m	48.0	0.15	1.4	386	14
	188.0 m - 410.0 m	222.0	0.07	0.4	369	28
	410.0 m - 431.0 m	21.0	0.32	1.0	688	178
	431.0 m - 446.5 m	15.5	0.10	0.7	734	109
DDH 1238 (1996)	**13.7 m - 61.0 m**	47.3	0.17	1.6	83	6
DDH 1239 (1996)	**9.1 m - 36.0 m**	23.8	0.06	2.8	93	6
1996 Drilling End						
DDH 1240 (1997)	**14.1 m - 28.0 m**	13.9	0.536	4.51	685	165
1997 Drilling Start						
DDH 1241 (1997)	**6.1 m - 54.1 m**	48.0	0.33	2.6	564	243
	54.1 m - 150.3 m	96.2	0.23	3.2	1611	164
DDH 1242 (1997)	**25.7 m - 76.7 m**	51.0	0.37	3.0	965	270
	76.7 m - 188.7 m	112.0	0.31	3.1	1670	157
	188.7 m - 199.6 m	10.9	0.10	0.6	509	150
DDH 1243 (1997)	**23.9 m - 77.9 m**	54.0	0.27	3.0	760	243
	77.9 m - 152.9 m	75.0	0.27	3.0	1667	184
	152.9 m - 169.5 m	16.6	0.17	1.8	964	169
DDH 1244 (1997)	**7.1 m - 25.1 m**	18.0	0.11	1.3	68	28
	25.1 m - 100.1 m	75.0	0.26	2.7	319	195
	100.1 m - 199.1 m	99.0	0.31	35.0	2125	188
	199.1 m - 249.1 m	50.0	0.15	1.3	1071	210
DDH 1245 (1997)	**6.1 m - 48.1 m**	42.0	0.20	1.0	95	2
	48.1 m - 146.1 m	98.0	0.60	2.0	232	3
	146.1 m - 176.1 m	30.0	0.19	2.0	467	15
	176.1 m - 335.9 m	159.8	0.22	1.1	181	5
	335.9 m - 388.0 m	52.1	0.52	10.6	1159	61
	388.0 m - 412.7 m	24.7	0.14	0.7	693	124
	412.7 m - 493.0 m	80.3	0.51	8.4	1715	111
DDH 1246 (1997)	**5.7 m - 80.7 m**	75.0	0.14	1.5	123	3
1997 Drilling End	**80.7 m - 151.4 m**	70.7	0.75	1.4	275	6
	151.4 m - 189.3 m	37.9	0.18	0.8	292	19
	189.3 m - 402.9 m	213.6	0.10	1.1	364	25
	402.9 m - 518.3 m	115.4	0.19	2.1	1334	122
	518.3 m - 545.7 m	27.4	0.46	4.5	2491	258

	From - To	Width (metres)	Au (ppm)	Ag (ppm)	Cu (ppm)	Mo (ppm)
DDH CS6 (1997)	**2.1 m - 47.9 m**	45.8	0.19	1.5	114	
1986 Drilling by Cominco	**47.9 m - 86.8 m**	38.9	1.01	4.0	233	
1997 Assaying by Skyline	**86.8 m - 107.6 m**	20.8	0.22	0.6	124	
DDH C101 (1997)	**3.0 m - 51.0 m**	48.0	0.000	0.1	56	
1994 Drilling Start by Prime	**51.0 m - 89.0 m**	38.0	0.050	0.1	117	
1997 Assaying by Skyline	**89.0 m - 123.8 m**	34.5	0.000	0.7	61	
	123.8 m - 200.0 m	76.2	0.031	1.2	160	
	200.0 m - 239.0 m	39.0	0.214	2.6	245	
	239.0 m - 314.8 m	75.8	0.007	0.3	39	
DDH C125 (1997)	**172.7 m - 173.2 m**	0.5	0.213	0.1	12	
	175.2 m - 175.6 m	0.4	0.228	0.1	58	
	175.6 m - 175.7 m	0.1	0.186	2.5	691	
	176.6 m - 177.1 m	0.5	0.057	0.5	167	
	180.8 m - 182.2 m	1.4	0.121	0.2	208	
	182.5 m - 182.9 m	0.4	0.116	0.3	22	
	335.3 m - 348.0 m	12.7	0.789	2.0	250	
DDH C126 (1997)	**114.9 m - 116.4 m**	1.5	8.300	1.6	150	
	326.6 m - 327.7 m	1.1	0.364	4.5	414	
	329.0 m - 329.7 m	0.7	0.332	1.9	258	
	334.1 m - 334.6 m	0.5	0.480	1.7	197	
	334.6 m - 336.6 m	2.0	0.145			
	336.6 m - 338.6 m	2.0	1.205			
	338.6 m - 340.2 m	1.6	4.900	44.5	406	
	340.2 m - 342.2 m	2.0	15.770			
	342.2 m - 342.9 m	0.7	0.191	0.3	208	
	342.9 m - 343.2 m	0.3	0.051	0.1	46	
	343.2 m - 344.7 m	1.5	2.100	1.8	456	
DDH 127 (1997)	**4.6 m - 57.8 m**	54.6	0.122			
	57.8 m - 65.3 m	6.1	1.109			
	65.3 m - 126.6 m	61.3	0.141			
	126.6 m - 173.1 m	46.5	0.476			
	173.1 m - 196.2 m	23.1	0.212			
	196.2 m - 287.3 m	91.1	0.425			
	287.3 m - 461.9 m	174.6	0.066			
DDH 129 (1997)	**3.5 m - 41.5 m**	38.0	0.05			
	41.5 m - 50.0 m	8.5	0.45			
	50.0 m - 70.0 m	20.0	0.04			
	70.0 m - 103.8 m	33.8	0.29			
	103.8 m - 146.0 m	42.2	0.16			
	146.0 m - 173.5 m	27.5	0.62			
	173.5 m - 197.3 m	23.8	0.19			
	197.3 m - 268.2 m	70.9	0.54			

	From To	Width (metres)	Au (ppm)	Ag (ppm)	Cu (ppm)	Mo (ppm)
DDH 129 (1997) cont.	**268.2 m - 382.6 m**	114.4	0.16			
DDH 130 (1997)	**4.6 m - 45.4 m**	40.8	0.050			
1994 Drilling End by Prime	**45.4 m - 69.1 m**	23.7	0.145			
1997 Assaying by Skyline	**69.1 m - 75.5 m**	6.4	1.906			
	75.5 m - 111.0 m	35.5	0.146			
	111.0 m - 128.0 m	17.0	0.542			
	128.0 m - 155.7 m	27.7	0.287			
	155.7 m - 233.2 m	77.5	0.598		**Cu %**	
BS0601 (2006)*	**6.8 m – 31.0 m**	24.2	0.722	3.46	0.264	20
BS0602 (2006)*	**2.7 – 138.6 m**	135.9	0.396	2.83	0.195	31
BS0603 (2006)*	**8.6 – 270.0 m**	261.4	0.586	2.84	0.235	23
BS0604 (2006)*	**4.5 – 122.0 m**	117.5	0.397	4.33	0.208	12
BS0701	**5.2 – 466.3 m**	461.1	0.107	1.0	0.082	0.017
including	**5.2 – 82.3 m**	77.1	0.156	1.2	0.127	0.036
BS0702	**3.4 – 393.2 m**	389.8	0.506	2.4	0.181	0.008
including	**3.4 – 256.0 m**	252.6	0.688	3.0	0.233	0.007
BS0703	**18.3 – 295.7 m**	277.4	0.407	1.7	0.231	0.010
BS0704	**5.5 – 360.0 m**	354.5	0.415	2.2	0.242	0.008
including	**5.5 – 217.0 m**	211.5	0.513	2.3	0.294	0.008
BS0705	**3.5 – 429.8 m**	426.3	0.286	1.8	0.203	0.009
including	**17.0 – 164.5 m**	147.5	0.508	1.9	0.293	0.007
including	**164.5 – 429.8 m**	265.3	0.162	1.6	0.154	0.010
BS0706	**29.3 – 254.8 m**	225.5	0.190	2.5	0.119	0.016
including	**29.3 – 102.4 m**	73.1	0.263	2.7	0.166	0.013
BS0708	**7.0 – 235.6 m**	228.6	0.440	1.4	0.022	-
including	**6.1 - 220.4 m**	214.3	0.458	1.5	0.022	-
BS0709	**3.0 – 265.8 m**	262.8	0.329	1.7	0.022	-
including	**143.9 – 168.2 m**	24.3	0.688	2.2	0.015	-
including	**198.7 – 226.2 m**	27.5	0.774	1.6	0.046	-
and	**360.3 – 390.8 m**	30.5	0.119	0.2	0.008	-
BS0710	**10.7 – 365.8 m**	355.1	0.354	2.7	0.177	0.009
including	**10.7 – 128.0 m**	117.3	0.654	2.5	0.341	0.005
BS0711	**129.5 – 300.0 m**	170.5	0.319	0.9	0.013	-
including	**144.8 – 184.4 m**	39.6	0.772	0.7	0.018	-
BS0712	**9.2 – 298.7 m**	289.5	0.197	3.1	0.165	0.008
including	**9.2 – 45.7 m**	36.5	0.376	8.3	0.226	0.004
Including	**237.7– 298.7 m**	61.0	0.261	3.8	0.261	0.012

* Year of Assay   * Also know as 200601 through 200604

APPENDIX A - continued

BRONSON SLOPE
INTERVALS SAMPLED AND ANALYSED FOR MAGNETITE

Hole	Depth Sampled From (m)	Depth Sampled To (m)	Interval Length (m)	Sample Source*
1211	5.2	165.5	160.3	C
1212	13.1	135.3	122.2	C
1216	9.0	256.7	247.7	C
1217	60.0	423.4	363.4	C
1218	3.0	405.6	402.6	C
1219	20.2	444.2	424.0	C
1220	25.6	306.4	280.8	C
1221	9.1	312.1	303.0	C
1223	7.0	200.9	193.9	C
1225	3.7	218.6	214.9	C
1226	2.3	275.4	273.1	C
1229	209.0	450.2	241.2	C
1232	15.2	219.6	204.4	C
1245	334.5	493.0	158.5	C
1246	401.5	545.7	144.2	C
TOTAL CORE			3734.2	
0602	2.7	138.6	135.9	P
BS 07 01	216.4	466.3	249.9	P
BS 07 02	3.4	393.2	389.8	P
BS 07 03	18.3	295.7	277.4	P
BS 07 04	5.5	360.0	354.5	P
BS 07 05	3.5	429.8	426.3	P
BS 07 10	10.7	365.8	355.1	P
TOTAL PULPS			2188.9	
TOTAL METERAGE SAMPLED			5923.1	

*Sample Sources:
C=drill core split during 2009
P=pulps obtained from laboratory storage

APPENDIX B

GORGE-GREGOR DRILL HOLE DATA*

Zone	Hole-ID	Total Depth	Easting	Northing	Elevation	Hole Type	Azimuth	Dip
		(m)	(m)	(m)	(m amsl)		(°)	(°)
Gorge-IJV	IJV88-6	143	368899	6287512	191	BQ	180	-45
Gorge-IJV	IJV88-7	152	368900	6287408	149	BQ	360	-45
Gorge-IJV	IJV88-8	151	368900	6287408	137	BQ	25	-45
Gorge-IJV	IJV88-9	80	368588	6287252	186	BQ	390	-90
Gorge-IJV	IJV89-1	152	368913	6287415	152	BQ	25	-60
Gorge-IJV	IJV89-10	125	368593	6287359	173	BQ	25	-45
Gorge-IJV	IJV89-2	145	368890	6287426	213	BQ	25	-65
Gorge-IJV	IJV89-3	133	368704	6287509	143	BQ	25	-45
Gorge-IJV	IJV89-4	132	368736	6287557	143	BQ	25	-45
Gorge-IJV	IJV89-5	115	368629	6287509	143	BQ	25	-45
Gorge-IJV	IJV89-6	124	368670	6287434	146	BQ	25	-45
Gorge-IJV	IJV89-7	125	368606	6287331	204	BQ	25	-45
Gorge-IJV	IJV89-8	126	368675	6287444	179	BQ	205	-45
Gorge-IJV	IJV89-9	125	368630	6287322	210	BQ	25	-45
Gorge-IJV	IJV90-1	125	368581	6287337	174	BQ	25	-65
Gorge-IJV	IJV90-4	140	368876	6287359	300	BQ	25	-60
Gorge-IJV	IJV90-5	125	368543	6287379	210	BQ	25	-45
Gorge-IJV	IJV90-6	125	368543	6287379	186	BQ	25	-90
Gorge-IJV	IJV90-7	122	368498	6287400	201	BQ	25	-45
Gorge-IJV	IJV90-8	115	368685	6287319	200	BQ	25	-45
Gorge-IJV	IJV90-9	122	368768	6287400	201	BQ	25	-45
Gorge-IJV	IJV96-01	133	368752	6287549	142	BQTK	90	-45
Gorge-IJV	IJV96-02	133	368752	6287549	243	BQTK	90	-65
Gorge-IJV	IJV96-03	151	368726	6287624	212	BQTK	90	-45
Gorge-IJV	IJV96-04	151	368726	6287624	356	BQTK	90	-65
		3,410						
Gorge-Meridor	MR88-48	152	368909	6287403	122	BQ	68	-45
Gorge-Meridor	MR88-49	153	368914	6287403	126	BQ	95	-45
Gorge-Meridor	MR88-57	152	368909	6287403	76	BQ	60	-60
Gorge-Meridor	MR88-58	152	368909	6287403	45	BQ	95	-45
Gorge-Meridor	MR88-59	152	368909	6287403	58	BQ	75	-45
Gorge-Meridor	MR88-60	135	368953	6287486	118	BQ	260	-45
Gorge-Meridor	MR88-61	135	368953	6287486	75	BQ	92	-45
Gorge-Meridor	MR88-62	155	369010	6287308	183	BQ	0	-45
Gorge-Meridor	MR88-63	138	368852	6287348	92	BQ	90	-45
Gorge-Meridor	MR89-01	150	368914	6287393	131	BDBGM	10	-45
Gorge-Meridor	MR89-02	150	368914	6287393	137	BDBGM	10	-60
Gorge-Meridor	MR89-03	150	368914	6287393	213	BDBGM	10	-75
Gorge-Meridor	MR89-04	150	368914	6287393	92	BDBGM	190	-45
Gorge-Meridor	MR89-05	151	368929	6287393	137	BDBGM	0	-45
Gorge-Meridor	MR89-06	151	368929	6287393	130	BDBGM	0	-60
Gorge-Meridor	MR89-07	150	368914	6287393	31	BDBGM	100	-45

Zone	Hole-ID	Total Depth	Easting	Northing	Elevation	Hole Type	Azimuth	Dip
		(m)	(m)	(m)	(m amsl)		(°)	(°)
Gorge-Meridor	MR89-08	152	368954	6287393	140	BDBGM	0	-45
Gorge-Meridor	MR89-09	147	368914	6287379	56	BDBGM	90	-45
Gorge-Meridor	MR89-10	140	368983	6287501	91	BDBGM	60	-45
Gorge-Meridor	MR89-11	159	368982	6287402	91	BDBGM	30	-45
Gorge-Meridor	MR89-12	159	368982	6287402	61	BDBGM	30	-60
Gorge-Meridor	MR89-13	140	368925	6287308	101	BDBGM	70	-45
Gorge-Meridor	MR89-14	145	368955	6287278	122	BDBGM	40	-45
Gorge-Meridor	MR89-15	145	368955	6287278	61	BDBGM	270	-45
Gorge-Meridor	MR89-16	161	369045	6287288	100	BDBGM	65	-45
Gorge-Meridor	MR89-17	135	368903	6287478	61	BDBGM	90	-60
Gorge-Meridor	MR89-18	135	368903	6287478	54	BDBGM	90	-45
Gorge-Meridor	MR89-19	140	368945	6287243	106	BDBGM	55	-45
Gorge-Meridor	MR89-20	140	368945	6287243	48	BDBGM	100	-45
Gorge-Meridor	MR89-21	140	368945	6287243	46	BDBGM	315	-45
Gorge-Meridor	MR89-22	161	369025	6287371	91	BDBGM	270	-45
Gorge-Meridor	MR89-23	165	369012	6287409	128	BDBGM	45	-45
Gorge-Meridor	MR89-24	165	369012	6287409	122	BDBGM	90	-45
Gorge-Meridor	MR89-25	190	369110	6287405	107	BDBGM	270	-45
Gorge-Meridor	MR89-26	141	368903	6287501	61	BDBGM	90	-45
Gorge-Meridor	MR89-27	149	368939	6287386	92	BDBGM	135	-45
Gorge-Meridor	MR89-28	155	369010	6287263	74	BDBGM	300	-45
		5,539						
Gregor	IJV88-1	370	368651	6288475	152	BQ	90	-45
Gregor	IJV88-2	345	368601	6288475	213	BQ	90	-45
Gregor	IJV88-3	280	368501	6288300	198	BQ	90	-45
Gregor	IJV88-4	270	368451	6288300	213	BQ	90	-45
Gregor	IJV88-5	260	368526	6288275	152	BQ	90	-45
Gregor	IJV90-10	338	368561	6288448	101	BQ	144	-90
Gregor	IJV90-11	348	368533	6288492	63	BQ	144	-90
Gregor	IJV90-12	320	368506	6288456	94	BQ	144	-90
Gregor	IJV90-13	304	368465	6288421	66	BQ	144	-90
Gregor	IJV90-14	357	368614	6288488	66	BQ	144	-90
Gregor	IJV90-2	322	368601	6288414	50	BQ	324	-45
Gregor	IJV90-3	322	368601	6288414	53	BQ	324	-90
		3,836						

Drilling Summary

Area	Year	Metres	Holes
	1987	956	10
Gorge	1988-1996	3,410	26
Meridor	1988-1989	5,539	28
		9,905	**64**
Gregor	1988-1990	3,836	12

*(UTM Zone 9, NAD 83)

APPENDIX B - continued

GORGE -GREGOR SIGNIGICANT HISTORICAL DRILL HOLE INTERCEPTS

Hole-ID	*From* m	*To* m	*Int* m	*Au* ppm	*Ag* ppm
Gorge IJV					
IJV88-6	91.10	96.00	4.90	13.56	6.89
IJV88-6	133.50	138.70	5.20	1.41	7.95
IJV88-7	17.00	63.50	46.50	1.48	3.01
Includes	*22.00*	*26.00*	*4.00*	*4.18*	*9.30*
Includes	*36.60*	*39.00*	*2.40*	*5.77*	*5.47*
Includes	*53.40*	*63.50*	*10.10*	*2.74*	*3.37*
IJV88-7	123.60	124.70	1.10	2.77	11.95
IJV88-8	*26.00*	*27.30*	*1.30*	*7.58*	*30.50*
IJV88-8	39.50	45.40	5.90	10.70	39.04
IJV88-8	54.50	62.20	7.70	1.75	4.92
IJV88-8	66.70	85.00	18.30	10.64	13.67
Includes	*66.70*	*69.50*	*2.80*	*13.92*	*33.76*
Includes	*80.40*	*85.00*	*4.60*	*31.59*	*31.10*
IJV88-9	63.40	65.60	2.20	3.49	6.75
IJV88-10	131.60	133.60	2.00	2.33	0.70
IJV88-10	159.00	161.00	2.00	2.61	1.80
IJV89-1	52.40	62.78	10.38	54.02	13.30
Includes	*56.37*	*62.22*	*5.85*	*95.42*	*18.48*
IJV89-1	78.31	88.66	10.35	4.88	2.67
Includes	*78.31*	*81.14*	*2.83*	*9.83*	*3.85*
Includes	*84.46*	*85.66*	*1.20*	*16.97*	*11.60*
IJV89-1	95.41	101.39	5.98	44.33	3.88
Includes	*95.41*	*96.38*	*0.97*	*263.59*	*18.40*
IJV89-1	136.83	146.15	9.32	3.56	6.63
Includes	*136.83*	*138.46*	*1.63*	*14.07*	*26.29*
IJV89-2	57.82	59.57	1.75	14.25	31.28
IJV89-2	113.82	115.56	1.74	2.99	1.03
IJV89-2	135.97	136.48	0.51	4.39	8.10
IJV89-3	71.94	72.44	0.50	16.11	3.70
IIJV89-3	81.35	82.85	1.50	2.16	0.37
IJV89-5	129.50	130.00	0.50	4.46	1.30
IJV89-6	70.16	72.19	2.03	5.01	0.99
Includes	*136.62*	*137.36*	*0.74*	*8.85*	*0.90*
IKV89-7	120.63	121.70	1.07	2.18	1.66
IJV89-7	126.53	129.47	2.94	3.63	0.99
Includes	*126.53*	*127.97*	*1.44*	*6.84*	*1.71*
IJV89-8	67.42	68.03	0.61	9.98	4.50
IJV89-9	119.76	120.76	1.00	6.45	0.70
IJV89-10	79.60	82.85	3.25	14.63	2.17
Includes	*80.35*	*81.85*	*1.50*	*29.47*	*2.85*

Hole-ID	*From*	*To*	*Int*	*Au*	*Ag*
	m	m	m	ppm	ppm
IJV90-4	115.52	118.42	2.90	3.61	9.00
IJV90-4	166.97	170.23	3.26	0.27	2.58
IJV90-5	66.15	70.72	4.57	4.78	0.50
IJV90-6	32.53	33.43	0.90	6.93	0.50
Gorge-Meridor					
MR88-48	20.50	33.40	*12.90*	*2.15*	*6.95*
MR88-48	28.00	33.40	*5.40*	*4.70*	*15.15*
MR88-48	49.80	50.60	*0.80*	*5.18*	*21.60*
Includes	55.10	57.40	*2.30*	*2.98*	*19.08*
MR88-59	44.90	48.90	4.00	3.51	12.31
MR88-60	83.50	92.30	8.80	9.67	30.51
Includes	85.50	92.30	*6.80*	*11.78*	*36.70*
MR88-60	96.00	98.60	2.60	2.26	7.31
MR88-60	113.50	117.70	4.20	2.19	4.00
MR89-01	59.20	71.20	12.00	5.53	1.62
Includes	59.20	60.60	*1.40*	*44.57*	*6.60*
MR89-01	71.20	77.10	5.90	4.03	4.35
Includes	73.40	74.20	*0.80*	*23.28*	*10.60*
MR89-02	32.10	45.70	13.60	4.60	15.20
Includes	33.70	38.30	*4.60*	*10.47*	*18.68*
MR89-02	77.70	83.40	5.70	6.61	1.66
MR89-02	127.00	134.50	*7.50*	*2.44*	*1.01*
MR89-02	127.00	130.50	*3.50*	*4.85*	*1.10*
MR89-03	50.10	52.90	*2.80*	*2.77*	*6.81*
MR89-11	30.30	30.80	0.50	2.74	2.20
MR89-18	16.30	21.20	4.90	2.14	2.66
MR89-21	15.80	16.50	0.70	6.14	4.40
MR89-27	90.50	92.10	1.60	1.94	6.50
Gregor					
IJV90-10	5.17	11.33	6.16	2.98	0.66
Includes	9.95	11.33	1.38	8.91	0.66
IJV90-12	16.60	25.09	8.49	2.03	2.66
Includes	20.69	21.69	1.00	7.27	3.80

APPENDIX C

SNIP NORTH DRILL HOLE DATA*

Hole-ID	Total Depth	Easting	Northing	Elevation	Hole Type	Azimuth	Dip
	(m)	(m)	(m)	(m amsl)		(°)	(°)
IJV87-01	152	368694	6286487	140	BQ	60	-45
IJV87-02	139	368694	6286487	140	BQ	20	-45
IJV87-03	152	368674	6286739	202	BQ	37	-45
IJV87-04	122	368674	6286739	202	BQ	90	-45
IJV87-05	143	368685	6286855	191	BQ	85	-45
IJV87-06	143	368698	6286856	191	BQ	42	-45
IJV87-07	46	368744	6286480	151	BQ	79	-45
IJV87-08	58	368744	6286480	151	BQ	108	-55
MR88-01	169	369497	6286657	211	BQ	145	-60
MR88-02	70	369497	6286657	211	BQ	349	-50
MR88-03	178	369442	6286649	219	BQ	168	-60
MR88-04	154	369501	6286509	131	BQ	326	-45
MR88-05	164	369346	6286564	216	BQ	180	-45
MR88-06	152	369346	6286564	216	BQ	180	-60
MR88-07	79	369346	6286564	216	BQ	205	-45
MR88-08	149	369580	6286798	167	BQ	226	-45
MR88-09	67	369580	6286798	167	BQ	136	-45
MR88-10	108	370730	6286860	160	BQ	180	-60
MR88-11	128	370064	6286575	112	BQ	188	-45
MR88-12	114	370192	6286774	158	BQ	177	-65
MR88-13	152	369806	6286649	171	BQ	168	-45
MR88-14	119	369732	6287125	229	BQ	172	-45
MR88-15	111	368994	6286719	219	BQ	190	-45
MR88-16	86	368994	6286719	219	BQ	245	-45
MR88-17	88	369480	6286357	98	BQ	305	-45
MR88-18	147	369551	6286509	116	BQ	90	-45
MR88-19	90	369462	6286737	222	BQ	180	-45
MR88-20	110	369850	6286654	172	BQ	45	-45
MR88-21	93	369243	6287023	190	BQ	0	-45
MR88-22	122	369202	6287006	194	BQ	185	-45
MR88-23	94	369083	6287033	169	BQ	180	-45
MR88-24	122	369468	6287173	149	BQ	5	-45
MR88-25	91	370643	6286653	109	BQ	172	-45
MR88-26	106	369468	6287173	149	BQ	10	-60
MR88-27	106	369468	6287173	149	BQ	35	-45
MR88-28	27	369468	6287173	149	BQ	340	-45
MR88-29	61	369430	6287090	162	BQ	5	-45
MR88-30	113	369243	6287023	190	BQ	0	-60
MR88-31	106	369243	6287023	190	BQ	40	-45
MR88-32	85	369177	6286660	230	BQ	0	-45
MR88-33	122	369010	6286278	135	BQ	356	-45
MR88-34	77	369480	6286357	98	BQ	305	-60

Hole-ID	Total Depth	Easting	Northing	Elevation	Hole Type	Azimuth	Dip
	(m)	(m)	(m)	(m amsl)		(°)	(°)
MR88-35	76	369480	6286357	98	BQ	350	-45
MR88-36	106	369710	6286967	251	BQ	0	-45
MR88-37	76	369710	6286967	251	BQ	290	-45
MR88-38	91	369781	6286843	235	BQ	340	-45
MR88-39	119	369540	6286898	155	BQ	0	-45
MR88-40	213	370335	6287236	305	BQ	0	-45
MR88-41	116	370339	6287152	290	BQ	0	-45
MR88-42	114	370345	6287070	268	BQ	0	-45
MR88-43	61	370660	6286696	119	BQ	345	-45
MR88-44	61	370660	6286696	119	BQ	15	-45
MR88-45	93	370657	6286647	111	BQ	0	-45
MR88-46	61	370657	6286598	103	BQ	0	-45
MR88-47	45	370657	6286598	103	BQ	30	-45
MR88-50	77	369405	6287115	152	BQ	135	-45
MR88-51	119	369301	6286922	200	BQ	315	-45
MR88-52	122	369083	6286889	204	BQ	120	-45
MR88-53	106	369955	6286456	78	BQ	345	-45
MR88-54	49	369832	6286502	102	BQ	0	-45
MR88-55	55	369832	6286502	102	BQ	30	-45
MR88-56	61	370323	6286470	85	BQ	0	-45
MR88-64	109	369732	6287125	228	BQ	28	-45
MR89-29	91	369453	6287223	165	BDBGM	90	-45
MR89-30	107	369335	6287115	149	BDBGM	90	-45
MR89-31	106	369395	6286932	210	BDBGM	305	-45
MR89-32	61	369480	6287026	161	BDBGM	280	-45
MR89-33	91	369851	6286734	185	BDBGM	90	-45
SN06-01	201	369791	6286817	219	NQ	0	-45
SN06-02	202	369875	6286656	172	NQ	360	-90
SN06-03	203	370053	6286564	107	NQ	180	-50
SN06-04	236	370053	6286564	107	NQ	0	-51
SN06-05	206	370250	6286550	85	NQ	0	-50
SN07-01	184	369887	6286428	87	NQ2	358	-50
SN07-02	207	369840	6286680	175	NQ2	356	-51
SN07-03	208	369637	6286400	74	NQ2	1	-50
SN07-04	202	369635	6286534	98	NQ2	1	-50
SN07-05	202	370057	6286755	182	NQ2	358	-49
SN07-06	156	370686	6286787	134	NQ2	360	-50

*UTM Zone 9, NAD 83

APPENDIX C - continued

SNIP NORTH MINERALIZED DRILL HOLE INTERCEPTS

(Includes Snip North Porphyry)

Hole-ID	From	To	Int	Au	Ag	Cu	Pb	Zn
	m	m	m	ppm	ppm	%	%	%
Iskut River Joint Venture Holes								
IJV87-01	88.00	90.20	2.20	0.250	0.04	0.48	0.01	0.00
IJV87-02	114.20	119.70	5.50	0.296	0.03	0.56	0.00	0.00
IJV87-03	116.20	121.20	5.00	0.227	0.02	1.98	0.59	0.01
IJV87-04	114.60	121.60	7.00	0.172	0.01	1.07	0.02	0.00
IJV87-05	52.60	67.20	14.60	0.201	0.08	2.95	0.04	0.02
IJV87-05	81.20	87.00	5.80	0.389	0.04	0.61	0.02	0.00
IJV87-05	107.50	110.50	3.00	2.755	0.08	14.97	0.07	0.04
Meridor Holes MR88-1 to MR88-25*								
**Detailed Sample logs for holes MR88-1 to MR88-25 Inclusive has not been located during the Skyline Data Compilation to date. The sample lengths shown for these holes are estimate and were calculated by dividing the hole length by the number of samples in that hole thus creating a simple average length for each interval. The detailed sample logs will be required to correct these data if they are to be used for other than vectoring towards good mineralization*								
MR88-01	7.60	50.19	42.59	0.508	0.11	1.21	0.00	0.00
MR88-01	82.76	95.28	12.52	0.315	0.11	1.06	0.00	0.00
MR88-01	106.56	169.19	62.63	0.350	0.13	0.92	0.00	0.00
MR88-02	1.50	39.42	37.92	0.392	0.13	0.43	0.00	0.00
Includes	22.42	27.65	5.23	0.720	0.27	1.10	0.00	0.00
MR88-02	48.58	52.50	3.92	0.526	0.05	0.60	0.01	0.00
MR88-02	61.65	69.50	7.85	0.435	0.05	0.67	0.01	0.00
MR88-03	5.96	43.28	37.32	0.609	0.09	1.54	0.01	0.00
MR88-03	49.71	125.64	75.93	0.443	0.08	2.09	0.01	0.00
MR88-03	137.22	178.40	41.18	0.339	0.10	1.23	0.00	0.00
MR88-04	6.70	31.50	24.80	0.401	0.07	0.77	0.01	0.00
MR88-04	40.35	49.21	8.86	0.192	0.07	0.72	0.00	0.00
MR88-04	86.40	91.71	5.31	0.320	0.15	0.67	0.00	0.00
MR88-05	6.70	130.26	123.56	0.594	0.10	2.15	0.03	0.00
Includes	84.87	112.61	27.74	0.973	0.15	1.10	0.01	0.00
MR88-05	141.61	164.30	22.69	0.416	0.07	2.15	0.01	0.00
MR88-06	6.10	88.40	82.30	0.616	0.11	2.08	0.01	0.00
Includes	63.71	76.06	12.35	1.459	0.33	7.93	0.02	0.01
MR88-06	110.35	124.07	13.72	0.247	0.08	0.84	0.01	0.00
MR88-06	139.15	151.50	12.35	0.350	0.10	0.56	0.00	0.00
MR88-07	8.80	79.00	70.20	0.459	0.08	1.28	0.02	0.00
MR88-08	21.76	49.55	27.79	0.519	0.08	1.00	0.01	0.00
MR88-08	97.19	102.48	5.29	0.309	0.09	0.55	0.01	0.00
MR88-08	130.27	140.86	10.59	0.386	0.07	0.25	0.00	0.00
MR88-09	23.50	66.80	43.30	0.385	0.09	1.19	0.01	0.00
MR88-10	35.15	67.19	32.04	0.585	0.05	2.66	0.03	0.00

Hole-ID	From	To	Int	Au	Ag	Cu	Pb	Zn
	m	m	m	ppm	ppm	%	%	%
MR88-11	8.80	127.70	118.90	0.481	0.15	1.27	0.01	0.00
Includes	29.22	44.83	15.61	0.696	0.31	2.17	0.00	0.00
MR88-12	100.13	113.70	13.57	0.463	0.08	0.40	0.01	0.00
MR88-13	5.92	152.10	146.18	0.454	0.13	0.77	0.01	0.00
MR88-14	4.60	12.97	8.37	0.214	0.17	2.92	0.01	0.00
MR88-14	46.43	61.08	14.65	0.176	0.17	3.58	0.01	0.00
MR88-14	70.49	81.99	11.50	0.100	0.11	1.76	0.01	0.00
MR88-14	81.99	118.60	36.61	0.235	0.20	3.56	0.02	0.00
MR88-15	4.66	34.71	30.05	0.282	0.12	0.89	0.00	0.00
MR88-15	49.74	64.76	15.02	0.892	0.35	2.12	0.01	0.00
Includes	57.83	63.61	5.78	1.138	0.64	4.12	0.03	0.00
MR88-15	84.41	92.51	8.10	0.255	0.07	0.29	0.01	0.00
MR88-16	16.48	30.87	14.39	0.891	0.25	2.12	0.01	0.00
Includes	18.88	23.67	4.79	1.836	0.53	3.10	0.01	0.00
MR88-16	74.01	86.00	11.99	0.384	0.03	0.30	0.01	0.00
MR88-17	2.10	88.10	86.00	0.810	0.10	0.93	0.01	0.00
Includes	4.25	5.33	1.08	5.966	0.13	0.60	0.01	0.00
Includes	19.30	27.90	8.60	2.690	0.24	1.05	0.00	0.00
Includes	23.60	24.68	1.08	8.914	0.19	2.40	0.00	0.00
MR88-18	23.37	44.13	20.76	0.428	0.17	0.66	0.00	0.00
Includes	25.97	32.45	6.48	0.562	0.24	1.00	0.00	0.00
MR88-18	63.58	67.47	3.89	0.320	0.08	0.20	0.00	0.00
MR88-18	76.55	141.41	64.86	0.443	0.18	0.56	0.00	0.00
Includes	121.95	127.14	5.19	1.114	0.53	1.90	0.00	0.00
MR88-19	63.07	90.20	27.13	0.339	0.08	0.49	0.01	0.00
MR88-20	17.33	35.10	17.77	0.255	0.12	0.39	0.00	0.00
MR88-20	60.49	106.19	45.70	0.476	0.10	0.62	0.01	0.00
MR88-21	19.78	24.85	5.07	4.517	0.06	3.39	0.01	0.00
Includes	21.05	23.58	2.53	8.709	0.08	5.69	0.01	0.00
MR88-21	38.79	70.48	31.69	0.579	0.04	5.32	0.10	0.06
MR88-22	40.61	62.00	21.39	0.291	0.07	0.93	0.01	0.00
MR88-23	4.60	5.96	1.36	1.920	1.56	90.00	0.10	0.22
MR88-23	48.04	87.41	39.37	0.307	0.05	1.84	0.08	0.01
MR88-24	12.18	46.64	34.46	1.059	0.11	3.02	0.02	0.00
Includes	13.50	21.46	7.96	2.671	0.02	0.20	0.01	0.00
MR88-24	66.53	71.83	5.30	0.901	0.10	3.45	0.03	0.03
MR88-25	16.91	22.23	5.32	2.315	0.18	1.45	0.01	0.00
Includes	19.57	20.90	1.33	6.309	0.19	1.60	0.00	0.00
MR88-25	50.17	64.80	14.63	0.237	0.09	0.95	0.01	0.00
Meridor Holes MR88-26 to MR89-39								
Detailed sample lengths for these holes have been located.								
MR88-26	16.50	37.70	21.20	0.481	0.05	1.24	0.02	0.00
MR88-26	40.00	57.60	17.60	0.063	0.09	1.10	0.01	0.00
MR88-27	6.10	44.40	38.30	0.601	0.02	0.75	0.01	0.00
Includes	30.50	36.30	5.80	2.023	0.03	0.79	0.01	0.00

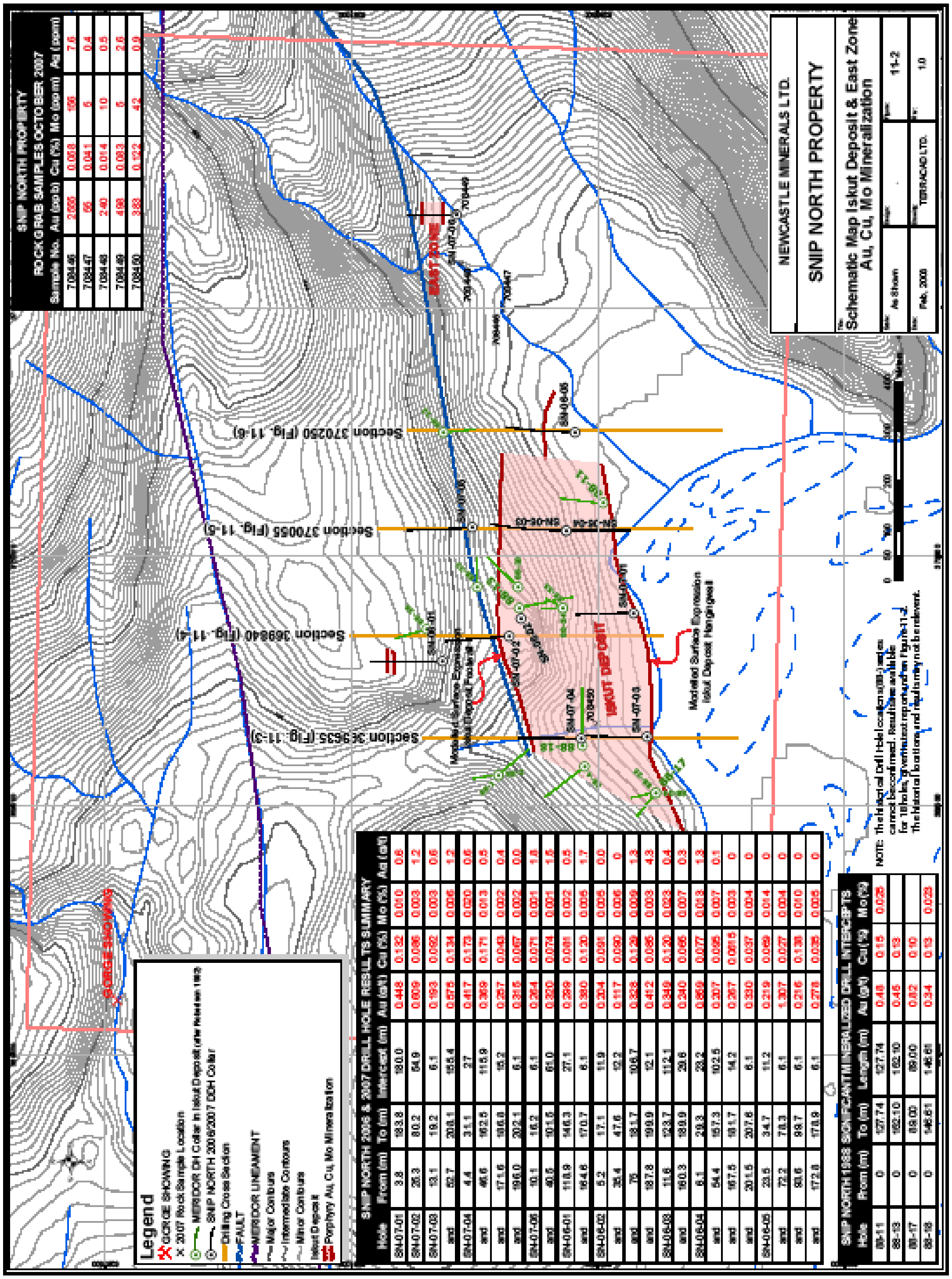
Hole-ID	From	To	Int	Au	Ag	Cu	Pb	Zn
	m	m	m	ppm	ppm	%	%	%
MR88-28	16.70	27.10	10.40	0.353	0.01	0.53	0.01	0.00
MR88-29	21.90	33.80	11.90	0.680	0.20	4.45	0.03	0.00
Includes	28.70	30.50	1.80	2.743	0.42	10.07	0.13	0.00
MR88-29	53.00	61.00	8.00	0.390	0.05	1.15	0.01	0.00
MR88-30	30.20	40.80	10.60	0.599	0.05	0.83	0.01	0.00
MR88-31	5.80	38.60	32.80	0.684	0.10	3.56	0.04	0.00
Includes	12.60	13.60	1.00	12.686	0.91	34.40	0.09	0.00
MR88-32	11.40	22.80	11.40	0.213	0.05	0.22	0.01	0.00
MR88-32	28.00	49.20	21.20	0.455	0.18	1.21	0.02	0.00
Includes	34.60	43.90	9.30	0.460	0.26	1.18	0.02	0.00
MR88-33	26.50	35.40	8.90	0.428	0.01	3.76	0.08	0.02
MR88-33	36.00	54.20	18.20	0.347	0.02	1.08	0.01	0.00
MR88-33	72.80	78.40	5.60	0.456	0.18	20.36	0.23	0.04
Includes	76.10	76.60	0.50	2.743	1.24	170.50	1.32	0.38
MR88-34	1.50	76.50	75.00	0.675	0.11	0.82	0.01	0.00
Includes	12.40	27.10	14.70	1.428	0.15	1.19	0.01	0.00
MR88-35	1.50	49.00	47.50	0.940	0.13	0.80	0.01	0.00
Includes	17.60	42.40	24.80	1.218	0.15	0.91	0.01	0.00
MR88-35	50.10	76.20	26.10	0.329	0.09	0.69	0.00	0.00
MR88-36	30.20	34.70	4.50	0.248	0.13	1.96	0.02	0.00
MR88-36	34.70	89.70	55.00	0.234	0.17	2.42	0.01	0.00
Includes	54.30	72.90	18.60	0.311	0.21	3.18	0.01	0.00
MR88-36	91.20	100.30	9.10	0.125	0.14	2.00	0.01	0.00
MR88-37	31.00	34.20	3.20	0.634	0.03	2.20	0.04	0.01
MR88-37	52.10	75.90	23.80	0.159	0.11	1.18	0.01	0.00
MR88-39	22.80	37.00	14.20	0.076	0.07	2.00	0.02	0.00
MR88-39	37.00	45.10	8.10	0.212	0.20	4.17	0.02	0.00
MR88-39	46.50	56.80	10.30	0.148	0.11	2.78	0.01	0.00
MR88-39	86.10	100.50	14.40	0.328	0.19	5.19	0.02	0.00
MR88-40	10.40	21.30	10.90	0.311	0.07	0.91	0.03	0.00
MR88-43	2.10	8.30	6.20	0.316	0.08	2.08	0.01	0.00
MR88-43	37.50	61.30	23.80	0.440	0.05	1.57	0.01	0.00
MR88-44	4.10	14.50	10.40	0.200	0.06	1.32	0.01	0.00
MR88-44	46.40	50.80	4.40	0.326	0.06	1.15	0.01	0.00
MR88-50	6.20	20.10	13.90	0.230	0.06	0.99	0.01	0.00
MR88-50	47.90	67.60	19.70	0.170	0.12	2.42	0.02	0.00
MR88-51	14.00	17.30	3.30	1.418	0.12	3.13	0.01	0.00
MR88-52	3.90	71.70	67.80	0.527	0.19	1.32	0.01	0.00
Includes	13.70	33.10	19.40	0.651	0.25	1.47	0.01	0.00
Includes	63.00	70.30	7.30	1.138	0.43	3.08	0.02	0.00
MR88-53	7.70	106.40	98.70	0.505	0.16	0.97	0.01	0.00
Includes	67.50	76.10	8.60	1.201	0.34	2.30	0.01	0.00
MR88-54	8.40	48.80	40.40	0.364	0.17	0.46	0.01	0.00
MR88-55	17.00	39.80	22.80	0.469	0.17	0.47	0.01	0.00
MR88-55	39.20	55.20	16.00	0.453	0.15	0.47	0.01	0.00
MR88-56	10.80	19.90	9.10	0.336	0.07	0.25	0.01	0.00
MR88-56	37.20	47.00	9.80	0.313	0.09	0.25	0.01	0.00

Hole-ID	*From*	*To*	*Int*	*Au*	*Ag*	*Cu*	*Pb*	*Zn*
	m	m	m	ppm	ppm	%	%	%
MR88-28	16.70	27.10	10.40	0.353	0.01	0.53	0.01	0.00
MR88-29	21.90	33.80	11.90	0.680	0.20	4.45	0.03	0.00
Includes	28.70	30.50	1.80	2.743	0.42	10.07	0.13	0.00
MR88-29	53.00	61.00	8.00	0.390	0.05	1.15	0.01	0.00
MR88-30	30.20	40.80	10.60	0.599	0.05	0.83	0.01	0.00
MR88-31	5.80	38.60	32.80	0.684	0.10	3.56	0.04	0.00
Includes	12.60	13.60	1.00	12.686	0.91	34.40	0.09	0.00
MR88-32	11.40	22.80	11.40	0.213	0.05	0.22	0.01	0.00
MR88-32	28.00	49.20	21.20	0.455	0.18	1.21	0.02	0.00
Includes	34.60	43.90	9.30	0.460	0.26	1.18	0.02	0.00
MR88-33	26.50	35.40	8.90	0.428	0.01	3.76	0.08	0.02
MR88-33	36.00	54.20	18.20	0.347	0.02	1.08	0.01	0.00
MR88-33	72.80	78.40	5.60	0.456	0.18	20.36	0.23	0.04
Includes	76.10	76.60	0.50	2.743	1.24	170.50	1.32	0.38
MR88-34	1.50	76.50	75.00	0.675	0.11	0.82	0.01	0.00
Includes	12.40	27.10	14.70	1.428	0.15	1.19	0.01	0.00
MR88-35	1.50	49.00	47.50	0.940	0.13	0.80	0.01	0.00
Includes	17.60	42.40	24.80	1.218	0.15	0.91	0.01	0.00
MR88-35	50.10	76.20	26.10	0.329	0.09	0.69	0.00	0.00
MR88-36	30.20	34.70	4.50	0.248	0.13	1.96	0.02	0.00
MR88-36	34.70	89.70	55.00	0.234	0.17	2.42	0.01	0.00
Includes	54.30	72.90	18.60	0.311	0.21	3.18	0.01	0.00
MR88-36	91.20	100.30	9.10	0.125	0.14	2.00	0.01	0.00
MR88-37	31.00	34.20	3.20	0.634	0.03	2.20	0.04	0.01
MR88-37	52.10	75.90	23.80	0.159	0.11	1.18	0.01	0.00
MR88-39	22.80	37.00	14.20	0.076	0.07	2.00	0.02	0.00
MR88-39	37.00	45.10	8.10	0.212	0.20	4.17	0.02	0.00
MR88-39	46.50	56.80	10.30	0.148	0.11	2.78	0.01	0.00
MR88-39	86.10	100.50	14.40	0.328	0.19	5.19	0.02	0.00
MR88-40	10.40	21.30	10.90	0.311	0.07	0.91	0.03	0.00
MR88-43	2.10	8.30	6.20	0.316	0.08	2.08	0.01	0.00
MR88-43	37.50	61.30	23.80	0.440	0.05	1.57	0.01	0.00
MR88-44	4.10	14.50	10.40	0.200	0.06	1.32	0.01	0.00
MR88-44	46.40	50.80	4.40	0.326	0.06	1.15	0.01	0.00
MR88-50	6.20	20.10	13.90	0.230	0.06	0.99	0.01	0.00
MR88-50	47.90	67.60	19.70	0.170	0.12	2.42	0.02	0.00
MR88-51	14.00	17.30	3.30	1.418	0.12	3.13	0.01	0.00
MR88-52	3.90	71.70	67.80	0.527	0.19	1.32	0.01	0.00
Includes	13.70	33.10	19.40	0.651	0.25	1.47	0.01	0.00
Includes	63.00	70.30	7.30	1.138	0.43	3.08	0.02	0.00
MR88-53	7.70	106.40	98.70	0.505	0.16	0.97	0.01	0.00
Includes	67.50	76.10	8.60	1.201	0.34	2.30	0.01	0.00
MR88-54	8.40	48.80	40.40	0.364	0.17	0.46	0.01	0.00
MR88-55	17.00	39.80	22.80	0.469	0.17	0.47	0.01	0.00
MR88-55	39.20	55.20	16.00	0.453	0.15	0.47	0.01	0.00
MR88-56	10.80	19.90	9.10	0.336	0.07	0.25	0.01	0.00
MR88-56	37.20	47.00	9.80	0.313	0.09	0.25	0.01	0.00

Hole-ID	From	To	Int	Au	Ag	Cu	Pb	Zn
	m	m	m	ppm	ppm	%	%	%
MR88-64	10.30	27.30	17.00	0.151	0.13	1.57	0.01	0.00
MR89-29	20.50	32.00	11.50	0.261	0.06	1.05	0.01	0.00
MR89-29	64.80	72.10	7.30	0.355	0.05	1.64	0.01	0.00
MR89-29	80.60	82.00	1.40	0.480	0.08	1.20	0.01	0.00
MR89-30	56.00	57.50	1.50	7.783	0.05	0.40	0.01	0.00
MR89-30	63.40	89.80	26.40	0.185	0.14	2.29	0.01	0.00
MR89-31	5.20	10.70	5.50	0.346	0.07	2.03	0.02	0.01
MR89-31	17.90	94.90	77.00	0.660	0.10	3.77	0.02	0.00
Includes	49.20	50.00	0.80	22.114	1.00	201.00	0.51	0.22
Includes	50.00	58.10	8.10	1.093	0.13	3.31	0.01	0.01
MR89-32	2.10	60.60	58.50	0.458	0.05	0.64	0.01	0.00
MR89-33	9.10	53.00	43.90	0.723	0.13	1.52	0.01	0.00
Includes	9.10	23.30	14.20	1.476	0.15	3.10	0.01	0.00
MR89-33	61.00	89.60	28.60	0.222	0.12	0.55	0.01	0.00
Newcastle drill holes								
SN06-01	131.10	146.30	15.20	0.378	0.13	n/a	n/a	n/a
SN06-01	167.40	182.90	15.50	0.241	0.08	n/a	n/a	n/a
SN06-02	75.00	99.40	24.40	0.154	0.09	n/a	n/a	n/a
SN06-02	99.40	201.50	102.10	0.365	0.13	n/a	n/a	n/a
SN06-03	11.60	114.60	103.00	0.363	0.12	n/a	n/a	n/a
SN06-03	163.40	186.80	23.40	0.246	0.06	n/a	n/a	n/a
SN06-04	6.10	29.30	23.20	0.859	0.06	n/a	n/a	n/a
SN06-04	54.40	90.20	35.80	0.226	0.06	n/a	n/a	n/a
SN06-04	96.30	153.80	57.50	0.205	0.06	n/a	n/a	n/a
SN06-04	163.40	178.60	15.20	0.266	0.06	n/a	n/a	n/a
SN07-01	3.80	183.80	180.00	0.448	0.06	0.72	n/a	n/a
SN07-02	25.30	80.20	54.90	0.609	0.06	1.26	n/a	n/a
SN07-03	52.70	208.10	155.40	0.575	0.06	1.21	n/a	n/a
Includes	71.00	77.10	6.10	2.635	0.06	6.22	n/a	n/a
Includes	92.30	110.60	18.30	0.934	0.06	1.64	n/a	n/a
Includes	150.30	168.60	18.30	0.863	0.06	1.63	n/a	n/a
SN07-04	4.40	159.40	155.00	0.356	0.06	0.58	n/a	n/a
Includes	92.40	147.20	54.80	0.471	0.06	0.84	n/a	n/a
SN07-06	40.50	101.50	61.00	0.316	0.06	1.50	n/a	n/a

APPENDIX C continued

Plan of Iskut Deposit



APPENDIX D

BUG LAKE DRILL HOLE DATA*

Zone	Hole-ID	Total Depth	Easting	Northing	Elevation	Hole Type	Azimuth	Dip
		(m)	(m)	(m)	(m amsl)		(°)	(°)
Bug Lakes BLUFF VEIN	BL87-1	24	378452	6283992	273	BQ	250	-45
Bug Lakes BLUFF VEIN	BL87-10	31	378464	6283937	262	BQ	252	-85
Bug Lakes _BLUFF VEIN	BL87-11	52	378464	6283937	262	BQ	205	-45
Bug Lakes_ SWAMP VEIN	BL87-12	57	378517	6284088	263	BQ	235	-45
Bug Lakes_ SWAMP VEIN	BL87-13	61	378517	6284088	263	BQ	235	-70
Bug Lakes_ VEIN	BL87-14	34	378517	6284088	263	BQ	205	-45
Bug Lakes_ SWAMP VEIN	BL87-15	36	378543	6284078	262	BQ	235	-45
Bug Lakes_ SWAMP VEIN	BL87-16	34	378543	6284078	262	BQ	235	-70
Bug Lakes_ SWAMP VEIN	BL87-17	30	378543	6284078	262	BQ	360	-90
Bug Lakes_No. 7 VEIN	BL87-18	58	378437	6283786	261	BQ	48	-45
Bug Lakes_No. 7 VEIN	BL87-19	37	378437	6283786	262	BQ	48	-70
Bug Lakes_BLUFF VEIN	BL87-2	48	378452	6283992	273	BQ	250	-70
Bug Lakes_No. 7 VEIN	BL87-20	33	378437	6283786	262	BQ	360	-90
Bug Lakes_No. 7 VEIN	BL87-21	46	378437	6283786	261	BQ	90	-45
Bug Lakes_No. 7 VEIN	BL87-22	49	378419	6283795	265	BQ	50	-45
Bug Lakes_No. 7 VEIN	BL87-23	54	378419	6283795	265	BQ	50	-70
Bug Lakes_No. 7 VEIN	BL87-24	89	378419	6283795	265	BQ	50	-85
Bug Lakes_BLUFF VEIN	BL87-3	56	378452	6283992	273	BQ	250	-80
Bug Lakes_BLUFF VEIN	BL87-4	37	378452	6283992	273	BQ	282	-45
Bug Lakes_BLUFF VEIN	BL87-5	28	378458	6283976	269	BQ	250	-45
Bug Lakes_BLUFF VEIN	BL87-6	43	378458	6283976	269	BQ	250	-65
Bug Lakes_BLUFF VEIN	BL87-7	43	378458	6283976	269	BQ	250	-80
Bug Lakes_BLUFF VEIN	BL87-8	31	378464	6283937	263	BQ	252	-45
Bug Lakes_BLUFF VEIN	BL87-9	28	378464	6283937	263	BQ	252	-70
Bug Lakes_BLUFF VEIN	BL88-25	48	378444	6284020	200	BQ	250	-46
Bug Lakes_BLUFF VEIN	BL88-26	75	378444	6284020	200	BQ	250	-66
Bug Lakes_BLUFF VEIN	BL88-27	92	378498	6284008	200	BQ	245	-45
Bug Lakes_BLUFF VEIN	BL88-28	130	378498	6284008	200	BQ	245	-59
Bug Lakes_BLUFF VEIN	BL88-29	68	378498	6283988	200	BQ	244	-45
Bug Lakes_BLUFF VEIN	BL88-30	83	378498	6283988	200	BQ	244	-65
Bug Lakes_BLUFF VEIN	BL88-31	104	378493	6283956	200	BQ	250	-45
Bug Lakes_BLUFF VEIN	BL88-32	76	378521	6283921	200	BQ	250	-45
Bug Lakes_No. 7 VEIN	BL88-33	107	378374	6283831	200	BQ	50	-45
Bug Lakes_No. 7 VEIN	BL88-34	98	378374	6283831	200	BQ	50	-55
Bug Lakes_No. 7 VEIN	BL88-35	59	378338	6283865	200	BQ	52	-45
Bug Lakes_No. 7 VEIN	BL88-36	74	378337	6283865	200	BQ	50	-60
Bug Lakes_No. 7 VEIN	BL88-37	97	378315	6283896	200	BQ	50	-45
Bug Lakes_No. 7 VEIN	BL88-38	120	378315	6283897	200	BQ	50	-55
Bug Lakes_No. 7 VEIN	BL88-39	104	378393	6283806	200	BQ	50	-45
Bug Lakes_No. 7 VEIN	BL88-40	139	378298	6283848	200	BQ	50	-45
Bug Lakes_GOLD BUG	BL88-41	65	375594	6283830	200	BQ	218	-45
Bug Lakes_GOLD BUG	BL88-42	78	375594	6283830	200	BQ	218	-61

Zone	Hole-ID	Total Depth	Easting	Northing	Elevation	Hole Type	Azimuth	Dip
		(m)	(m)	(m)	(m amsl)		(°)	(°)
Bug Lakes_GOLD BUG	BL88-43	116	375594	6283830	200	BQ	218	-70
Bug Lakes_GOLD BUG	BL88-44	91	375594	6283830	200	BQ	188	-45
Bug Lakes_GOLD BUG	BL88-45	89	375623	6283809	200	BQ	220	-45
Bug Lakes_GOLD BUG	BL88-46	100	375623	6283809	200	BQ	220	-60
Bug Lakes_GOLD BUG	BL88-47	163	375623	6283809	200	BQ	220	-70
Bug Lakes_GOLD BUG	BL88-48	104	375623	6283809	200	BQ	190	-45
Bug Lakes_BOOT HILL	BL88-49	103	375326	6283728	200	BQ	320	-45
Bug Lakes_BOOT HILL	BL88-50	124	375326	6283728	200	BQ	250	-45
Bug Lakes	W90-1**	102	15	37	581	BQ	210	-45
Bug Lakes	W90-2**	103	-35	38	562	BQ	210	-45
Bug Lakes	W90-3**	66	10	-13	605	BQ	30	-60
Bug Lakes	W90-4**	80	-32	-36	602	BQ	30	-60
Bug Lakes	W90-5**	63	-85	-35	595	BQ	30	-56
Bug Lakes_COOPER ZONE	W90-6**	63	380597	6282769	611	BQ	30	-57
Bug Lakes	W90-7**	63	70	-28.5	629	BQ	30	-55

*** Local Grid Coordinates*

*UTM Zone 9, NAD 83

APPENDIX D continued

BUG LAKE
SIGNIFICANT HISTORICAL DRILL HOLE INTERCEPTS

(Gold Values in Excess of 2 PPM or 2 g/t)

Hole-ID	*From*	*To*	*Int*	*Au*	*Ag*	*Cu*	*Pb*	*Zn*
	m	m	m	ppm	ppm	%	%	%
BL87-1	14.60	16.10	**1.50**	**9.840**	11.7	0.32	n/a	n/a
Includes	15.00	16.10	**1.10**	**12.800**	14.4	0.39	n/a	n/a
BL87-2	29.90	30.30	**0.40**	**13.900**	18.5	0.51	n/a	n/a
BL87-3	41.65	44.10	**2.45**	**8.357**	11.4	0.26	n/a	n/a
Includes	42.70	43.40	**0.70**	**11.300**	8.6	0.15	n/a	n/a
BL87-4	21.15	22.30	**1.15**	**5.248**	9.9	0.34	n/a	n/a
BL87-4	25.50	26.50	**1.00**	**24.300**	7.2	0.34	n/a	n/a
BL87-5	7.20	7.80	0.60	2.100	1.4	0.05	n/a	n/a
BL87-5	22.05	25.00	**2.95**	**6.310**	4.8	0.09	n/a	n/a
Includes	22.70	22.90	**0.20**	**85.50**	26.4	0.38	n/a	n/a
BL87-6	24.80	25.90	**1.10**	**5.755**	7.6	0.13	n/a	n/a
Includes	25.15	25.35	**0.20**	**24.10**	24.0	0.37	n/a	n/a
BL87-7	32.50	42.00	9.50	2.304	4.1	0.07	n/a	n/a
Includes	32.50	32.90	**0.40**	**27.80**	11.7	0.27	n/a	n/a
BL87-8	8.70	9.20	**0.50**	**17.000**	17.5	0.29	n/a	n/a
BL87-9	16.50	17.60	**1.10**	**14.136**	13.7	0.18	n/a	n/a
Includes	16.50	17.20	**0.70**	**21.70**	18.9	0.23	n/a	n/a
BL87-10	19.67	20.00	**0.33**	**26.600**	**50.1**	**0.81**	n/a	n/a
BL87-10	25.00	26.50	1.50	1.200	6.5	0.01	n/a	n/a
BL87-11	8.30	9.80	1.50	0.800	4.5	0.02	n/a	n/a
BL87-11	16.40	17.90	1.50	0.700	9.6	0.01	n/a	n/a
BL87-11	34.30	37.80	3.50	0.646	2.1	0.02	n/a	n/a
BL87-12	17.40	19.40	2.00	0.710	2.3	0.01	n/a	n/a
BL87-13	3.50	4.90	1.40	0.400	3.1	0.02	n/a	n/a
BL87-13	20.10	20.50	0.40	0.700	3.8	0.51	n/a	n/a
BL87-13	28.70	29.60	0.90	0.500	3.1	0.06	n/a	n/a
BL87-13	53.30	53.90	**0.60**	**19.300**	13.0	0.01	n/a	n/a
BL87-14	22.70	22.95	**0.25**	**12.600**	12.7	0.08	n/a	n/a
BL87-15	20.95	21.15	**0.20**	**8.200**	4.1	0.15	n/a	n/a
BL87-15	32.55	32.90	**0.35**	**3.000**	0.3	0.03	n/a	n/a
BL87-16	12.80	14.30	1.50	0.700	7.2	0.82	n/a	n/a
BL87-18	15.00	16.30	**1.30**	**6.277**	7.4	0.09	n/a	n/a
Includes	16.00	16.30	**0.30**	**23.200**	11.3	0.15	n/a	n/a
BL87-19	8.20	9.80	1.60	0.800	1.4	0.02	n/a	n/a
BL87-19	15.80	16.75	0.95	1.921	1.6	0.05	n/a	n/a
BL87-20	17.10	17.75	**0.65**	**4.200**	0.3	0.01	n/a	n/a
BL87-21	19.90	20.50	0.60	2.500	2.7	0.07	n/a	n/a
BL87-22	28.10	29.20	**1.10**	**22.327**	**31.8**	**1.36**	n/a	n/a
Includes	28.10	28.70	**0.60**	**38.600**	**55.2**	**2.39**	n/a	n/a
Hole-ID	*From*	*To*	*Int*	*Au*	*Ag*	*Cu*	*Pb*	*Zn*

	m	m	m	ppm	ppm	%	%	%
BL87-23	32.10	32.60	**0.50**	**6.700**	3.1	0.04	n/a	n/a
BL87-23	37.90	38.40	**0.50**	**6.400**	1.7	0.04	n/a	n/a
BL87-24	33.80	35.60	1.80	0.500	1.0	0.03	n/a	n/a
BL88-25	12.70	13.05	8.80	1.097	1.0	0.08	n/a	n/a
BL88-26	65.90	66.90	1.00	1.851	3.8	0.11	n/a	n/a
BL88-27	21.10	21.25	**0.15**	**7.269**	5.8	0.13	n/a	n/a
BL88-27	80.00	82.50	**2.50**	**8.709**	10.6	0.30	n/a	n/a
BL88-27	81.20	82.50	1.30	1.783	3.1	0.05	n/a	n/a
BL88-28	5.55	5.65	0.10	0.446	4.1	0.41	n/a	n/a
BL88-32	48.80	48.90	**0.10**	**7.817**	2.4	0.04	n/a	n/a
BL88-33	60.70	61.60	**0.90**	**1.749**	15.4	0.87	n/a	n/a
BL88-34	74.00	77.00	**3.00**	**5.931**	1.7	0.05	n/a	n/a
BL88-34	92.40	93.10	0.70	0.891	0.2	0.00	n/a	n/a
BL88-35	27.00	27.40	0.40	0.411	1.4	0.05	n/a	n/a
BL88-35	28.90	30.40	1.50	0.411	0.2	0.01	n/a	n/a
BL88-35	43.50	44.30	**0.80**	**14.091**	7.9	0.19	n/a	n/a
BL88-36	50.10	51.40	**1.30**	**7.749**	8.6	0.16	n/a	n/a
BL88-37	72.85	73.70	0.85	1.337	3.8	0.00	n/a	n/a
BL88-41	37.80	38.30	0.50	0.617	4.1	0.07	n/a	n/a
BL88-42	59.40	60.00	0.60	0.754	3.8	0.05	n/a	n/a
BL88-44	47.10	47.90	0.80	2.121	4.9	0.09	n/a	n/a
BL88-45	56.90	57.30	0.40	1.371	17.5	0.15	n/a	n/a
BL88-46	76.00	77.00	1.00	0.480	3.8	0.07	n/a	n/a
BL88-46	77.30	78.50	1.20	0.994	9.3	0.08	n/a	n/a
BL88-46	84.40	84.60	**0.20**	**9.737**	5.8	0.11	n/a	n/a
BL88-47	129.70	130.10	0.40	0.994	5.5	0.13	n/a	n/a
BL88-48	32.40	32.70	0.30	0.617	4.8	0.24	n/a	n/a
BL88-49	14.80	15.00	0.20	0.549	47.0	0.01	1.08	9.20
BL88-49	23.60	24.30	**0.70**	**5.985**	2.7	0.07	0.01	0.01
BL88-49	24.60	25.10	0.50	1.029	8.9	0.09	0.04	0.11
BL88-49	26.60	26.70	0.10	1.851	5.1	0.06	0.01	0.01
BL88-49	27.20	28.00	0.80	0.549	8.9	0.07	0.04	0.21
BL88-49	33.40	35.30	1.90	1.916	8.7	0.01	0.01	0.02
BL88-49	64.10	64.20	0.10	0.480	2.4	0.04	0.00	0.06
BL88-49	69.00	69.20	0.20	1.097	7.9	0.08	0.03	0.11
BL88-49	83.20	83.80	**0.60**	**1.989**	**262.6**	0.40	0.04	0.12
BL88-49	84.30	84.80	0.50	0.274	60.0	0.32	0.04	0.13
BL88-49	93.30	93.90	**0.60**	**7.349**	21.5	0.07	0.05	0.32
Includes	93.80	93.90	**0.10**	**23.73**	40.1	0.12	0.06	0.07
BL88-50	48.00	51.60	3.60	1.234	14.2	0.11	0.31	2.02
BL88-50	53.10	55.30	2.20	0.811	5.0	0.01	0.01	0.37
BL88-50	68.60	68.80	**0.20**	**0.754**	**102.9**	0.01	**2.34**	**2.12**
BL88-50	109.60	110.30	**0.70**	**3.257**	1.4	0.03	0.00	0.01